

# **Westchester County 2006 Child Care Utilization Study Final Report**

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Submitted to  
**Westchester County**

by  
**ETC Institute/LC Associates/Thorman Group**

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**February 2007**

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## EXECUTIVE SUMMARY

### **Introduction**

In 2006, Westchester County was the focus of a research project designed to assess use of child care services and subsidies. The Department of Social Services (DSS) in Westchester County engaged ETC Institute, represented by Dr. Elaine Tatham, in partnership with Drs. L. Carol Scott and Abby Thorman, to conduct a comprehensive assessment of the child care system in the county. The two primary research questions were:

- Why are enrollments in the county's child care services that are licensed and registered by the NYS OCFS (Office of Children and Family Services) not at the level anticipated, based on studies performed by the Child Care Council of Westchester, Inc.?<sup>1</sup>; and
- Why are child care subsidies provided by Westchester County DSS not fully utilized and have, instead, begun to decline?

Seventeen secondary questions about the child care market in the county also guided the data collection (these may be found in Attachment A).

The ETC Institute research team gathered qualitative and quantitative data through five surveys that included over 2,000 respondents, focus groups and stakeholder interviews with key community and early childhood leaders. The team also collected secondary data on county demographics and economic development, best practices in marketing and managing child care subsidy programs and best practices in management of child care centers and homes. The full report details the research methods and results of these data-gathering strategies, summarizes key findings, and offers recommendations for next steps. This executive summary gives highlights of the full report.

### **Context**

Some demographic context for this research is significant to the findings and recommendations. Westchester County is small in area but densely populated, with a distinct and sharp reduction in population density from the southern to the northern part of the county. Also, generally speaking, Westchester County residents have significantly higher incomes than the national population. Those higher incomes for the majority of residents also create a distinct and sharp income divide in the population. These factors have a direct impact on the use of child care services and subsidies in the county.

Like the demographic context, some organizational context for this research is also significant to the findings and recommendations. The child care leaders in Westchester County are deeply committed to young children and are operating very challenging small businesses in a difficult market. While operating a child care or nursery school program is a challenging job anywhere, it is particularly difficult in Westchester County where unique demographics make that business all the more challenging. Despite their challenges, the

child care business owners in the county are clearly committed to providing quality early childhood experiences for young children and are working hard to make this goal possible.

When compared to other states and counties, Westchester County DSS shows well.

Further, the current administration of the Westchester County child care subsidy program by Department of Social Services appears quite solid. When compared to other states and counties, Westchester County DSS shows well. It implements a number of practices in subsidy implementation that are considered best practices and recommended by national experts. The program has been designed with the intention to be family-friendly and open to input from its customers, though there is still much room for improvement before that intention is fully realized.

Child care center directors and owners of family child care homes who were interviewed for this research unanimously agreed that there have been improvements in the county's child care subsidy system in recent years. Higher reimbursement rates, lower family co-pays, and more rapid eligibility determinations are all starting to be seen as the norms of this program. Stakeholders from outside the child care industry were also interviewed and agreed with this view.

In fact, DSS's use of national best practices and its continual striving for quality improvement led to this research project, which brings an independent perspective to not only the child care subsidy program but to the county's whole child care system. The outside research team assembled by ETC Institute of Olathe, Kansas had no vested interest in either Westchester County DSS or the child care industry in the county. The data are objective and their interpretation is, likewise, intended to be objective.

### Major Findings

Key findings from this research that respond to the primary research questions included:

- **Finding #1.** The high cost of child care, in combination with dissatisfaction with the quality of programs, is causing many families to opt out of regulated child care programs. Across the board, families in all parts of Westchester County are choosing regulated child care less often than other options. Wealthier families largely opt out of regulated child care by using nannies or family members to care for their children. Although middle- and lower-income families (up to \$100,000 per year) use regulated child care more often than those of higher incomes, the majority still choose grandparents or other relatives, also opting out of regulated child care.

families in all parts of the county are choosing regulated child care less often than other options.

Thus, all across the county, parents are currently choosing in-home

nannies/babysitters or relatives as their primary form of child care when their children are not with them, particularly for children under age 3 and for children ages 7 and above. Parents indicated that they are choosing non-regulated child care for two reasons that are not entirely separable. Westchester County families in this research did not consider the cost of child care as a first, second, or even third priority in choosing a child care arrangement. But focus group discussions indicated that cost was closely tied to quality in the minds of parents. That is, they looked for quality, didn't find what they wanted, and also found that these programs that don't meet their standards seemed very expensive, when considered as part of their overall budgets. This dynamic puts child care programs in Westchester County in a very difficult position—the cost of providing quality care is higher than average, but the funding and resources available to provide the quality of care demanded by the consumer are limited and unavailable to most programs.

- **Finding #2.** The child care subsidy program operated by Westchester County DSS is well designed, follows many best practices, strives to be responsive to customer input and is working well, overall. In the last seven years the implementation of the Westchester County DSS child care subsidy program has changed significantly at least three times, and the current administration of the program appears to be the most solid to date. When compared to other states and counties, Westchester County DSS shows well. It implements a number of practices in subsidy implementation that are considered best practices and recommended by national experts, such as:
  - Families can mail a completed application and required documentation and are not required to have face-to-face visits with a caseworker to qualify for child care subsidies. This best practice enables low-income workers, who typically have fewer days off and less flexibility during work hours, to complete the application process more easily.
  - Families are to receive a decision on their subsidy award within 30 days. DSS staff estimated that they achieved that target on 95 percent of applications in 2006, and achieved it on 100 percent of applications in the last quarter of that year.
  - DSS advertises the availability of subsidy and includes information on income eligibility in its advertising.<sup>1</sup>
  - DSS is beginning to form partnerships with businesses in the county that could be fruitful for expanding its public awareness efforts.

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<sup>1</sup> In cooperation with the County Executive's office, the Department of Social Services printed 2000 pamphlets in English and in Spanish summarizing the subsidy program and stressing the decreased parent share. Pamphlets were distributed in all district offices, in WIA Employment offices and throughout the community. In addition, advertisements were posted in buses and DSS staff, in cooperation with the Child Care Council of Westchester, Inc.(CCC) and the Families Committee of the Board of Legislators, participated in forums promoting the child care subsidy program, which were held in various locations. In cooperation with CCC and Hudson Valley Legal Services, DSS also participated in forums explaining the child support requirement (in order to encourage potential eligible customers to apply for child care subsidy). One meeting, in cooperation the Hispanic coalition, was offered in Spanish. In addition to this concentrated campaign, each year several training sessions are held for child care providers, to demystify the basics of application for subsidy. These sessions are designed to assist them in helping their potentially eligible customers to apply for subsidy.

- DSS subsidies reimburse child care providers for some of the days a child is absent for illness or other reasons.
- DSS pursues a continuing dialog with child care industry representatives, through monthly meetings with managers and supervisors and, at times, the responsible senior staff.

These best practices, already in place, provide a strong foundation on which to build.

However, the following is also clear:

- **Finding #3.** Customers' perceptions of the Westchester County DSS Child Care Subsidy program are not consistently positive. Two important areas of complaint are about 1) significant variability on the "front ranks" level of staff where case managers implement policy and procedure, and 2) the application process. Parents indicated that they found the application paperwork burdensome and found some case managers inconsiderate and even rude.

DSS does provide extensive training for caseworkers and clear policies and procedures that require a positive, customer-friendly approach. DSS supervisors review cases and check both correspondence and eligibility determination, so decisions are not made by case managers, alone. Still, DSS staff members acknowledged, there may certainly be uneven customer service. For example, DSS policies require that employment should never be determined as unverified based on one verification attempt. Yet a pattern of specific examples was clear in the responses from multiple parent focus groups and child care provider interviews. This pattern is too consistent to be dismissed.

Child care providers also said that they found their paperwork burdensome and the process to be reimbursed for parent tuition slow and unwieldy. Long waits for payment and month-to-month removal and reinstatement of some children created for child care programs an unpredictable stream of revenue and caused financial losses that are difficult for small businesses to absorb. DSS has recently piloted an online system for interacting with child care centers, but it has not been made available for use by all centers yet.

**Finding #4.** The subsidy eligibility limits are low, when compared to the high cost of living in Westchester County. These limits are capped by the state. DSS has regularly increased them within the limits of that cap and they are now as high as 275 percent of the federal poverty level for those families eligible for help under Title XX. Even at this level, they do not work well in a county where household incomes of \$50,000 to \$75,000 do not enable a family to purchase quality child care.

Families who have incomes above eligibility cutoffs for subsidy find the full cost of child care well beyond their reach.

Because the majority of households in the county are of higher income, the child care market in Westchester County has higher tuition rates, which are then out of reach of middle-income earners. Therefore, large numbers of families who have incomes above eligibility cutoffs for subsidy find the full cost of child care well beyond their reach.

These financial challenges are exponentially more problematic for the lowest income families who have extremely limited disposable income, *even if they receive subsidies*. The current family share co-pay levels for DSS subsidy, though very low and about to be reduced again, are still a challenging (and often

impossible) level of expense for many income-eligible families because of the high cost of living in Westchester County. This problem is not one that DSS can solve with internal policy or procedure changes. It is a broader economic development problem and its resolution will require collaborative effort by many stakeholders.

### **Other Findings**

This research indicated that current demand for child care has decreased because parents are choosing friend/relative and nanny care over regulated child care. This decreased market is neither filling the existing capacity *nor driving new business planning among child care programs*. The demand for regulated child care could be expanded again, if programs were more responsive to what parents are seeking, relative to flexibility, part-week services, quality and cost. The strategy of responding to existing market demand will require excellent business planning to determine which services to develop, how to market them, and to what target customers.



Compounding the over-supply problem, subsidy payments to child care centers and homes are often less than the rates these businesses charge to non-subsidy customers. In 2006 these reimbursement rates were also less than the market rate survey results from the state's October 1, 2005 – September 30, 2007 plan for expending Child Care and Development Fund (CCDF) monies. In a small number of centers and homes that charge at the top end of the county's range of tuitions, the maximum subsidy rate was substantially lower than established tuition rates.

The decreased child care market is neither filling the existing capacity nor driving new business planning among child care programs.

DSS has increased these rates, effective January 1, 2007. However, even the new rates will be below the tuitions paid by many families who are not enrolled in the subsidy system. Again, this is a problem that DSS, alone, cannot resolve. As it increases reimbursement rates to come closer to the higher tuition rates in the county, it can prompt the centers that charge lower tuitions to raise their rates. DSS is—and should be—reluctant to take any steps that increase the cost of child care for parents.

the big bite out of parents' budgets does not translate into profits for child care businesses.

The cost of providing child care in Westchester County is already significantly higher than in many other counties because the cost of living is so high. That cost of living translates into the need for child care programs to pay higher staff wages, higher rents on buildings, and higher operating costs. Although parents are struggling with the high cost of care, the high cost of *providing* care means that the big bite out of parents' budgets does not translate into profits

for child care businesses, or even the capacity to break even.

The outcome is that some child care centers in the county are struggling to make ends meet and this finding is one that has been anecdotally obvious to many stakeholders for some time. This situation is primarily a result of the county's economy and the fact that capacity in regulated child care exceeds parent demand for these programs. The fact that the maximum subsidy reimbursement rates are lower than what child care centers charge mildly exacerbates this state of affairs.

Evidence of child care providers' concerns with solvency was visible throughout this research project. For example, the survey asked child care centers and family child care homes to identify items of *major concern* and *some concern* from a list of potential challenges. Many of the identified items of concern related to financial stability. If DSS wishes for parents who receive subsidy to be able to choose regulated center-based child care, some attention must be given to helping at least some of these programs continue operations. DSS will need the support of other stakeholders in the county to explore the possibilities and take effective action.

Those who seek to improve the Westchester County child care market clearly face many challenges. In fact, it is reasonable to say that, although it has great strengths, the child care system in Westchester County is seriously handicapped ... and the challenges the county faces are well known in communities and states all over the country.

As they seek high quality, affordable, accessible child care programs, parents across the country face challenges similar to those observed in Westchester County. Child care programs in every state face the challenge of balancing the need to pay higher salaries to obtain quality teachers with the need to keep prices affordable for parents. State and county agencies that operate child care subsidy programs from coast to coast struggle with providing parents and child care providers with excellent customer service while remaining accountable for the use of public funding.

**But these problems are exacerbated in Westchester County because the cost of living, and therefore the cost of child care, is so high, and because there are insufficient investments beyond parents' resources to make high quality care consistently available to families.**

### ***Recommendations***

The recommendations are general, rather than specific, because the research team believes that solutions explicit to Westchester County are best developed by stakeholders from the county, rather than outsiders. These general recommendations are in three broad categories: Paradigm Shifts, Long-Term Solutions, and Short-Term Programmatic Changes.

#### *Paradigm Shifts*

System-wide problems can only be resolved through system-wide changes. That kind of change always requires paradigm shifts: alteration of fundamental approaches and re-examination and reconfiguration of long-held assumptions. To resolve the challenges facing Westchester County, these paradigm shifts will be required of many stakeholders: the child care providers, Westchester County DSS, the Child Care Council of Westchester County, and other government and business partners who are engaged in work on these complex problems.

System-wide problems can only be resolved through ... alteration of fundamental approaches and re-examination ... of long-held assumptions.

**Recommendation #1.** Child care business owners should begin to look at themselves as change agents, and should learn more about the processes of systemic change. Those who do will be able to make a positive impact on the whole system, as well as on their businesses.

Child care business owners should begin to look at themselves as change agents.

**Recommendation #2.** More effective business models must be developed in the child care industry.

The development of these models could be spearheaded by a partnership between the Child Care Council, Partnership for Affordable Child Care and entrepreneurial child care program leaders.

**Recommendation #3.** To respond to the unique needs of families and child care programs in Westchester County, DSS must work with its partners outside county government to generate creative and entrepreneurial ideas for the use of state/federal resources and for the use of the county's investment in child care subsidies. The county investment could be used more flexibly to better serve the families of Westchester County and to address limitations imposed by state and federal policy. Likewise, creative exceptions could be generated for waivers that could remove or ameliorate the barriers of those policy limitations.

**Recommendation #4.** The Child Care Council could be more effective in its leadership role through greater emphasis on a dual focus that generates, coordinates, and implements new strategies *and* new partners to improve the quality and efficiency of local child care programs, as well as other aspects of the county's child care system.

#### *Long Term Solutions*

Long-term and strategic planning are familiar to everyone in business and government, but have rarely been applied as solutions for systemic problems that involve multiple stakeholders in public/private partnerships. Real solutions for the child care system in Westchester County will require a long-range planning orientation and a systems-approach to that change. As has been proven in other communities, systemic change takes time and investment from far-sighted funders.

**Recommendation #5.** The Partnership for Affordable Child Care, in concert with the Westchester County Association, United Way of Westchester and Putnam, school districts and other key partners, should develop and seek additional partners to create and implement a five year strategic plan to address multiple issues in the county's child care system.

**Recommendation #6.** Westchester County DSS, coordinating with the County Board of Legislators, the County Executive, and partners outside of county government, should develop a strategic plan to decrease the "cliff effect" of moving from subsidy to self-sufficiency.

#### *Short Term Programmatic Changes*

**Recommendation #7.** There is wide variation in child care rates around the county and, as a result, maximum child care reimbursement rates are too low in some parts of the county for programs to be able to accept them. Understanding the ripple effect that changing rates has on non-subsidized clients, DSS should work to set maximum child care reimbursement rates that are in better alignment with the patterns in the county. Creative, outside the current box thinking and a willingness to ask for exceptions from the state will be important ingredients in this solution.

**Recommendation #8.** To help families who truly need child care subsidy to successfully navigate the application process, DSS must redouble focus on customer service. DSS should also develop partnerships with organizations that can reach out to families and recruit them into the subsidy system.

**Recommendation #9.** In concert with stakeholders outside county government, DSS should reconsider more streamlined application and re-qualification processes.

**Recommendation #10.** Child care facilities with significant and chronic under-enrollment should begin immediately to question their current services and programs and develop more effective approaches that better respond to the current market and their target customers.

### ***Conclusion***

There is no doubt that, with sufficient will, leaders within DSS can work with other stakeholders in the county to develop new solutions to meet parents' needs. A public-private partnership with an outcomes orientation and a clear plan will be able to ensure that all children, especially those from the lowest income families, have access to child care programs that maximize their potential. Westchester County possesses a unique mix of leadership, resources, commitment and skills to tackle these challenges effectively. The county is well positioned to develop innovative and entrepreneurial solutions.

## INTRODUCTION TO THE RESEARCH TEAM

The ETC Institute, led by Dr. Elaine Tatham, partnered with two nationally-known early childhood consultants, Dr. L. Carol Scott of LC Associates and Dr. Abby Thorman of the Thorman Group, for this comprehensive research project. This partnership combined the significant research capabilities of ETC Institute with the extensive early care and education expertise of Drs. Scott and Thorman.

**ETC Institute** specializes in focus groups and opinion research studies for local and state government. Dr. Tatham has been instrumental in the design and successful administration of public opinion surveys throughout the United States. Her specialties include operations research, forecasting, and system simulation for management decision-making. Research conducted by ETC Institute has included several child care studies. For example, Dr. Tatham developed the data collection methodology used for the *Report Card on the Status of Children* published annually by the Kansas City-based Partnership for Children. She has completed statewide child care studies several times for the state of Kansas, which obtained information from up to 1,695 child care providers across the state. ETC Institute also conducts annual research for the Metropolitan Council on Early Learning, gathering data for its *Status Report on Child Care and Early Learning* in the eight-county Kansas City metropolitan area.

**Dr. L. Carol Scott** holds an MA degree in Early Childhood Education and a Ph.D. in Developmental and Child Psychology, specializing in Administration in Early Childhood Education. Her 30 years of professional experience include the role of director of the Metropolitan Council on Early Learning (MCEL) at the Mid-America Regional Council (1995-1999), a nationally-known early care and education system-development initiative for the metropolitan Kansas City area. In that role she oversaw the annual survey and report on the status of child care and other early learning programs. Since then, she has consulted on child care system initiatives in six states, through the Families and Work Institute and United Way of America. In 2005-2006, she served as Senior Researcher for the national organization, Pre-K Now.

**Dr. Abby Thorman** holds two masters degrees, in Early Childhood Education and in Human Relations, and a Ph.D. in Family Life Education and Consultation. She currently consults with the Greater Kansas City Community Foundation, where she works on early childhood and other youth-related investments; the National Association of Child Care Resource and Referral Agencies; the state of South Carolina; Ventura County California; and numerous other national clients. She has consulted in 18 states, particularly around systems development and engaging business and other non-traditional leaders. Dr. Thorman is also a former director of the Metropolitan Council on Early Learning (MCEL) at the Mid-America Regional Council (1999-2004) and, prior to that, worked for the Department of Defense's early childhood system, primarily in Europe.

## RESEARCH METHODS

The comprehensive research methods for this project included the gathering of primary qualitative and quantitative data through surveys, focus groups and interviews. The research team also gathered secondary demographic and economic data, as well as descriptions of best practices in subsidy management and marketing and best practices in child care management.

### **Quantitative Data**

In any research project, survey answers are based on respondents' understanding of the questions and their ability to answer accurately. Typically, survey data are somewhat less descriptive of reality than data collected in direct, objective observation. However, the larger the group is that responds to a survey, relative to the size of the total population, and the more that group is similar, demographically, to the total population, the higher the statistical confidence that self-report answers represent observable reality. Because sample sizes for all surveys in this project were large, relative to the total populations from which they were drawn (ranging from 19 percent to 47 percent of the populations), and were demographically representative of those populations, the statistical confidence in these survey results is 95 percent, plus or minus between 2.5 and 8 percentage points, as indicated below for each survey.

This study included five surveys to gather quantitative data. In each case, Westchester County stakeholders inside and outside DSS reviewed drafts of the surveys and provided input on the contents. The five survey populations were:

**Currently Receive Subsidy: persons who were currently receiving a child care subsidy from the Department of Social Services.** Surveys were mailed to 1,820 persons; 55 were returned as undeliverable for a net of 1,765 households (21 percent response rate). Complete useable returns were obtained from 373 households; the goal of 200 respondents was exceeded. The results have a 95 percent level of confidence with a precision of +/-5 percent. (*See Attachment B for a copy of the survey and page 17 for a summary of the results.*)

**Denied Subsidy: persons who had applied for a child care subsidy from the Department of Social Services during the preceding 12 months, but were denied.** Surveys were mailed to 826 persons; 103 were returned as undeliverable for a net of 723 households. Complete useable returns were obtained from 138 households (19 percent response rate). Understanding that these persons would be difficult to contact, the goal had been to obtain at least 100 surveys, as this number would give usable results. The results have a 95 percent level of confidence with a precision of +/-8 percent. (*See Attachment C for a copy of the survey and page 19 for a summary of the results.*)

**Family Providers: family child care providers and family group homes.** Completed surveys were obtained for 172 providers (out of 366) for a 47 percent response rate; the goal of 150 respondents was exceeded. The results have a 95 percent level of confidence with a precision of +/-5.5 percent. (See Attachment D for a copy of the survey and page 22 for a summary of the results.)

**Center Providers: child care centers and nursery schools, including Head Start.** Completed surveys were obtained for 177 providers (out of 526)<sup>2</sup> for a 34 percent response rate; the goal of 150 respondents was exceeded. Respondents included 126 of the county's 165 licensed child care centers and 51 nursery schools. The results have a 95 percent level of confidence with a precision of +/-6 percent. (See Attachment E for a copy of the survey and page 25 for a summary of the results.)

**All Parents: parents with children under age 13.** Surveys were mailed to 8,000 households and a total of 1,842 households completed the survey; the goal of 1,600 respondents was exceeded. The results have a 95 percent level of confidence with a precision of +/-2.5 percent. Each survey was sent with a cover letter signed by the County Executive; one side was in English and the other side in Spanish. Each packet for families likely to be Hispanic (as determined by family name) included a copy of the survey in English and a second copy in Spanish. (See Attachment F for a copy of the survey and page 33 for a summary of the results.)

Each of the five surveys was mailed with a cover letter explaining the purpose of the survey and a postage-paid return envelope. ETC Institute also provided a toll-free telephone number staffed by both English and Spanish speakers to answer any questions from respondents. ETC Institute staff conducted telephone follow-up calls for the family provider/group home survey, the child care center/ preschool survey and the general parent survey. Telephone follow-up was not possible for the two targeted parent surveys (Currently Receive and Denied Subsidy) because they were mailed by the Department of Social Services to preserve respondent anonymity. ETC Institute did not have the names or contact information of the recipients of these two surveys.

The research team supplemented these primary survey data with secondary quantitative data taken from reputable sources, such as the U.S. Census and county-based organizations. These secondary data included demographic information and economic development information about Westchester County. The demographic data included key items that affect the need for child care, such as population, education level, income, employment, unemployment, nativity and language, income and business/industry. The team also used these data to identify comparable counties for best practice research on child care subsidy management and marketing.

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<sup>2</sup> The county has 165 licensed child care centers, all of which were offered an opportunity to participate in the survey. Legally-exempt nursery school and preschool programs were also included in the survey, at the request of local stakeholders.



## **Qualitative Data**

In addition to the primary and secondary quantitative data, the team gathered primary qualitative data from focus groups and stakeholder interviews, and secondary research on best practices in the marketing and management of child care subsidy systems and the management of child care programs. These sources of qualitative information broadened and deepened the tentative conclusions the team drew from quantitative data, and allowed for refinement of emerging recommendations. The qualitative research included:

- On-site focus groups with parents in four communities (*see page 39 for results*) and
- One-on-one telephone interviews with parents in Mount Vernon (*included in focus group results*)
- One-on-one telephone interviews with stakeholders (*see page 57*)
- Compilation of best practices for subsidy programs (*see page 43*)
- Compilation of best practices in child care management (*see page 51*)

**Focus Groups:** The team held four on-site focus groups in Mount Kisco, Ossining, White Plains and Yonkers the week of September 18, 2006. A total of 45 parents attended the four groups. One additional person from Ossining, who could not attend because of work commitments, provided input later by telephone.

The team selected the sites for the focus groups for the following reasons:

- Yonkers: Because of the size of the community, the large percentage of persons receiving a subsidy, and the large percentage of persons denied a subsidy. Yonkers also had the most parents who indicated on the parent survey that they had applied for a subsidy (regardless of whether they received it), and Yonkers represented the southern part of the county.
- Mount Kisco: To obtain input from parents in the northern part of the county.
- White Plains: To obtain input from the central part of the county.
- Ossining: To obtain input from Hispanic parents with low incomes.

Each 90-minute focus group provided an in-depth look at parents' experiences with child care in the county, and an opportunity to delve into issues raised in the survey responses.

**One on One Telephone Interviews with Parents:** ETC Institute staff conducted telephone interviews with 21 parents in Mount Vernon two weeks after the focus groups, to supplement and strengthen the qualitative data garnered from the focus groups. Mount Vernon was chosen because of the large percentage of parents receiving a subsidy and the large percentage of parents denied a subsidy from that community. Also, Mount Vernon had the second largest number of parents who indicated on the parent survey that they had applied for a subsidy (regardless of whether they received it).

In addition, the pattern of Mount Vernon parents' responses to the mail/telephone survey stood out from the aggregated responses from all parents and those from other communities. This community had the:

- highest percentage of both parents working (70 percent),
- highest percentage who indicated they could pay \$100 or less per week for child care (45 percent),
- highest percentage who would change to new child care arrangements if they could (16 percent definitely yes),
- highest percentage for whom transportation to child care was a concern (9 percent),
- highest percentage who changed child care within the last year because their child was unhappy (18 percent),
- highest percentage who changed child care because program/provider stopped offering care (18 percent),
- highest percentage for whom child care close to home was the most important factor for selecting child care (30 percent),
- highest percentage indicating that they couldn't find a job was the reason for not working (17 percent), and
- highest percentage who had applied for a subsidy (11 percent: 3 percent received, 6 percent denied and 2 percent found ineligible).

***One-on-one telephone interviews with stakeholders:*** Following compilation of the results from surveys and focus groups, the team conducted 25 interviews with key stakeholders from early childhood programs, and from businesses, philanthropy, government and other sectors of the county. These interviews enabled the team to share general findings from the research with potentially influential individuals and to get initial responses to the recommendations as they were being developed. Stakeholders also provided the opportunity to explore potential partnership opportunities with key community organizations.

***Compilation of best practices for subsidy programs and best practices in child care management:*** The team identified best practices in:

- Marketing, financial management, human resource management and organizational management for child care centers and family child care homes.
- How counties and states market child care subsidy to the eligible population, manage child care subsidy programs, and implement strong customer service practices.

The team selected reports and studies that identified trends in subsidy use and child care management, and interviewed subsidy program leaders in counties with demographics similar to Westchester County. These resources enabled the team to compare policies and practices recognized as effective nationally and/or in counties similar to Westchester County. The goal of gathering this information was to analyze strategies in use in Westchester County and enable meaningful findings. Child care providers' response to families eligible for subsidy was another area of best practice that the research team proposed for review. A search for evidence revealed no identified best practices in this area.

The data from each of these areas of research are outlined in detail in the Results section, followed by specific research findings based on those data, and recommendations for addressing the child care challenges in Westchester County.

## RESULTS

### ***Demographics***

Population. Westchester County is small in size (one of 20 counties in the state of under 500 square miles) and its population is large. The 2005 estimated population of 940,807 resulted from a 5.6 percent increase in the 1990s, and may be stabilizing now (as indicated by a -0.1 percent decrease from 2004 to 2005, but a 1.9 percent increase between April 1, 2005 and July 1, 2005).<sup>3</sup>

The small area and large population results in a county with the 7<sup>th</sup> highest population density in the state, yet this population is distributed in a pattern of rapidly decreasing density, south to north. There are approximately 11,000 to 16,000 persons per square mile in the most densely populated southern parts of the county, and as few as 200 per square mile in its least populated northern areas.<sup>4</sup>

The county's population is also remarkably stable. In 2002, 90 percent of the population was living in the same residence one year earlier; 6 percent had moved during the past year from another residence in the same county. In fact, 81 percent of the county's population was born in the state of New York.<sup>5</sup>

Income. Westchester County is among the top 15 counties in the country, relative to median household income. The county median income is \$61,835, 7 percent higher than the national median income and 32 percent higher than the New York state median income.<sup>6</sup> (The mean income in the county was estimated by the 2000 Census as \$104,653, with the upper bound of the estimate at \$110,499.) Despite the high income levels in the county, as many as 8.7 percent of families live below the poverty level.

Finally, education levels are higher in Westchester County than the national average. According to the 2005 Current Population Survey, available from the U.S. Census, 30 percent of employed civilians ages 18 to 64, nationwide, have a bachelor's degree or higher, with 10 percent holding a graduate or professional degree. In 2002, 43 percent of people 25 years of age and over in Westchester County had a bachelor's degree or higher, with 24 percent holding a graduate or professional degree.<sup>7</sup>

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<sup>3</sup> 2000 U.S. Census Bureau

<sup>4</sup> 2000 U.S. Census Bureau

<sup>5</sup> 2000 American Community Survey, U.S. Census Bureau

<sup>6</sup> Using U.S. Census Bureau figures of \$61,835 as the 2003 county median income, \$57,854 as the 2005 national median income, and \$46,659 as the two-year average median income over 2004 and 2005.

<sup>7</sup> 2002 American Community Survey, U.S. Census Bureau

## Survey of Persons Receiving Subsidy

Research Methods Overview. To preserve DSS client confidentiality, ETC Institute prepared the surveys and shipped them to DSS for mailing. DSS prepared the mailing labels and mailed the surveys. Surveys were mailed with a cover letter; each packet had one copy of the survey and letter in English and a second copy of the survey and letter in Spanish. Respondents returned their surveys to ETC Institute with no identification unless they chose to voluntarily provide it on their survey. Because of confidentiality, telephone follow-up with non-responding households was not possible.

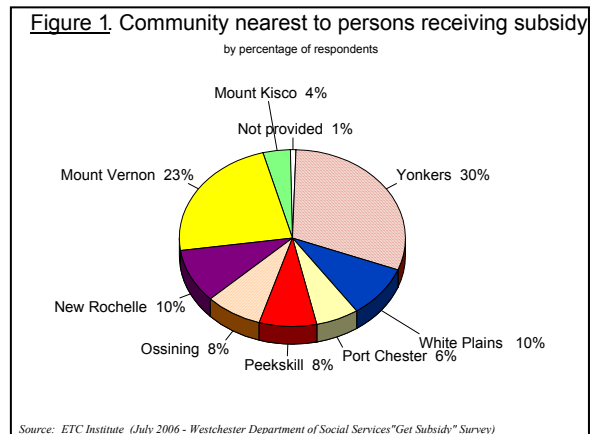
DSS mailed surveys to 1,820 persons currently receiving child care subsidies through Westchester County DSS; 55 were returned as undeliverable for a net of 1,765 households. 373 respondents completed and returned useable surveys. The goal had been to obtain at least 200 surveys; the team anticipated that potential respondents might be concerned that their responses to the survey would change their eligibility. However, the response was almost double the projected goal. The results have a 95 percent level of confidence with a precision of +/-5 percent.

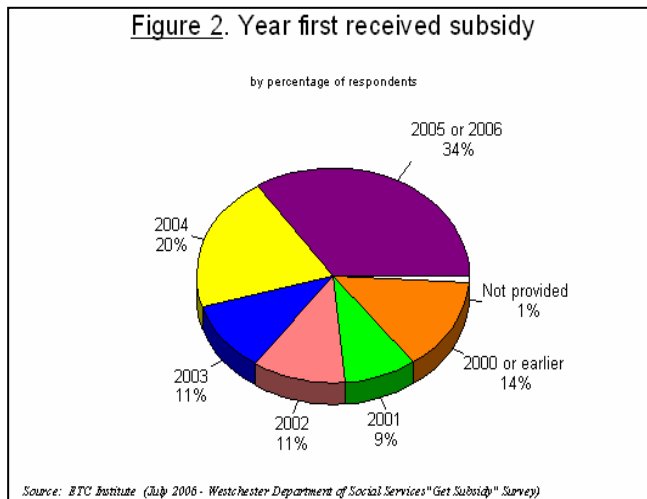
### Demographics of persons who receive subsidy

As shown in Figure 1, more than half (53 percent) the persons who participated in the “receiving a subsidy” survey lived in the Yonkers (30 percent) or Mount Vernon (23 percent) areas.

Half (50 percent) of the survey respondents were Black/African American and 38 percent were Hispanic.

About two-thirds (62 percent) of those who currently receive a child care subsidy receive help for one child; 27 percent receive help for two children and 11 percent receive help for three or more children. About three-fourths (74 percent) receive help for all their children under age 13.





Length of subsidy receipt

As Figure 2 indicates, the majority of current recipients of child care subsidy have only been receiving assistance for one or two years prior to the current year, 2006.

Source of subsidy information and impact of subsidy on quality of child care used

Respondents learned that subsidies were available primarily from either friends or relatives or a child care center or babysitter. More than two-

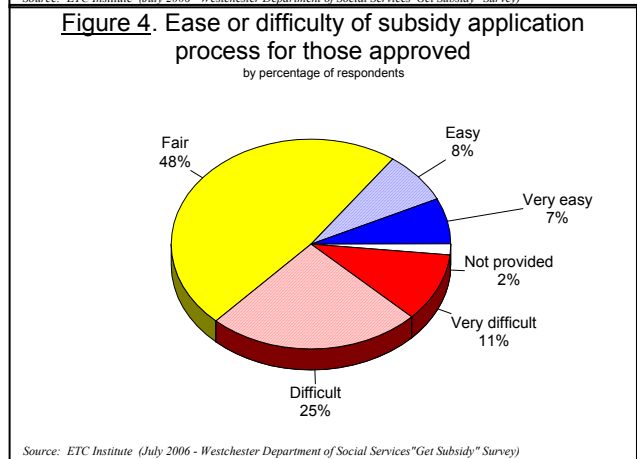
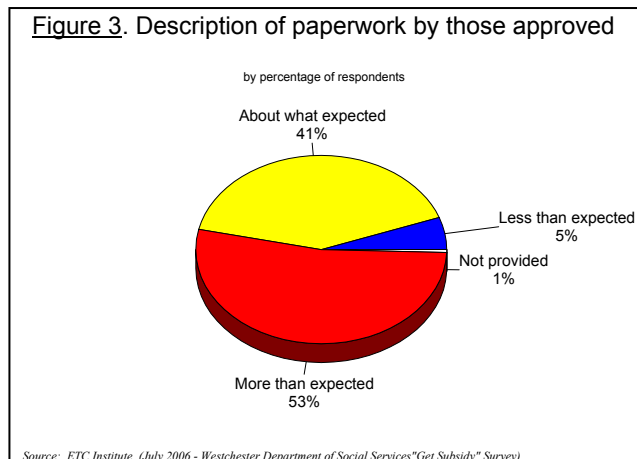
thirds (71 percent) of people receiving subsidies have told other friends or relatives about how the county can pay for part of the cost of child care with about the majority giving positive comments. More than three-fourths (80 percent) feel that receiving help from DSS to pay for child care makes it possible for them to improve the quality of their child care arrangements.

Experience of completing the DSS subsidy application

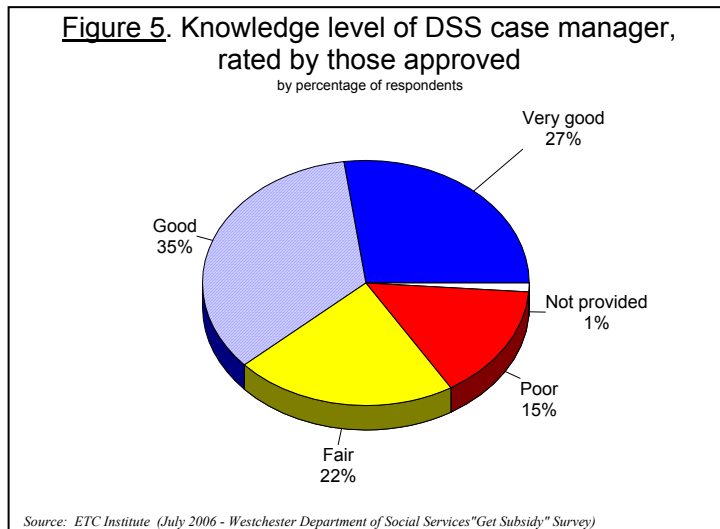
Opinions were mixed about the documentation required for application, with 53 percent responding that it was "too much" and 41 percent responding that it was "about right" (see Figure 3).

As Figure 4 shows, about one-third (36 percent) felt that the process to apply for help from DSS was either very difficult (11 percent) or difficult (25 percent). About one-half (48 percent) felt that it was fair (between easy and difficult) and 15 percent felt it was either very easy or easy.

Two-thirds (69 percent) completed the paperwork themselves and another 28 percent relied upon significant assistance from a child care provider. About three-fourths received some help from their child care



provider/program for their application. Of these, one-third (32 percent) reviewed the final application, 26 percent helped parents fill out the application, and 24 percent went over the application with them. Slightly more than one-fourth (27 percent) of the child care programs called the DSS worker to determine the status of the application.



### Quality of Interactions with DSS Case Managers

Parents' experiences of the knowledge of the DSS case managers were highly variable (see Figure 5), with ratings of 27 percent very good, 35 percent good, 22 percent fair, and 15 percent poor. Parents who received subsidy reported that the friendliness of the DSS case managers varied as well, with ratings of 22 percent very good, 32 percent good, 25 percent fair, and 20 percent poor.

### How subsidy recipients get to child care

The three primary transportation modes parents on subsidy use to take their child to a child care provider are: walking (32 percent), public transportation (28 percent), and in their own car (38 percent).

## **Survey of Persons Denied Subsidy**

### Research Methods Overview

To preserve DSS client confidentiality, ETC Institute prepared the surveys and shipped them to DSS for mailing. DSS prepared the mailing labels and mailed the surveys. Surveys were mailed with a cover letter; each packet had one copy of the survey and letter in English and a second copy of the survey and letter in Spanish. Respondents returned their surveys to ETC Institute with no identification unless they chose to voluntarily provide it on their survey. Because of confidentiality, telephone follow-up with non-responding households was not possible.

DSS mailed surveys to 826 persons who had applied for subsidy within the past year but were denied; 103 were returned as undeliverable for a net of 723 surveys disseminated. 138 respondents completed and returned useable surveys. The goal had been to obtain at least 100 surveys; the team held this low expectation, knowing that these persons would be difficult to contact. The results have a 95 percent level of confidence with a precision of +/-8 percent.

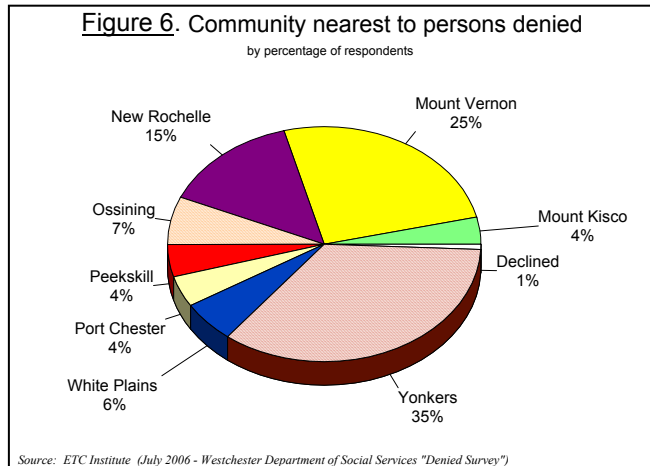
Demographics of persons denied subsidy

As shown in Figure 6, more than half (60 percent) the persons participating in the “denied a subsidy” survey lived in Yonkers (35 percent) or Mount Vernon (25 percent).

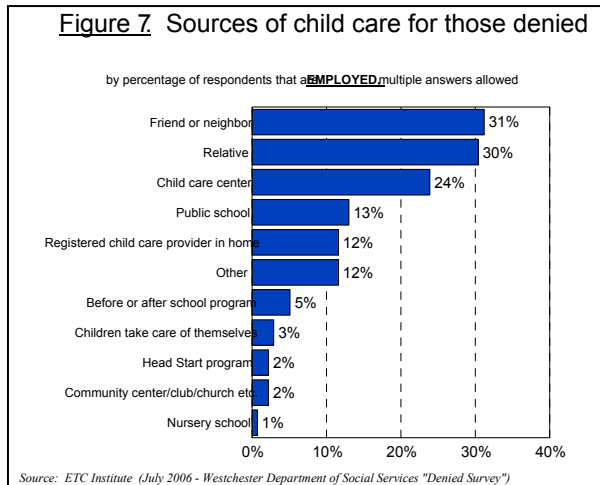
Almost half (49 percent) were Hispanic and 41 percent were Black/African American.

Most of these households had one or two children under age 13; 44 percent had one child, 41 percent had two children and 15 percent had three or more children.

A majority (87 percent) of parents indicated they were employed outside the home. About three-fourths of those employed work at least 31 hours per week.



**Figure 7. Sources of child care for those denied**



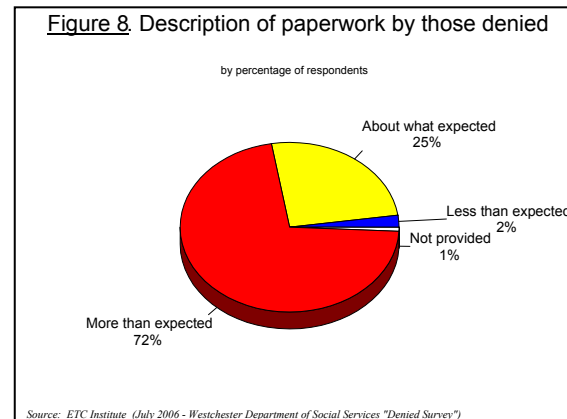
Child care use among persons denied child care subsidy

Multiple child care methods are used by families denied subsidy (see Figure 7), with about half using at least two sources for child care. Friends or neighbors or relatives watch the children for 61 percent of those who applied for subsidy and were denied. Another 36 percent use a registered or licensed provider or a child care center. The public school is used by 13 percent.

Experience of completing subsidy application

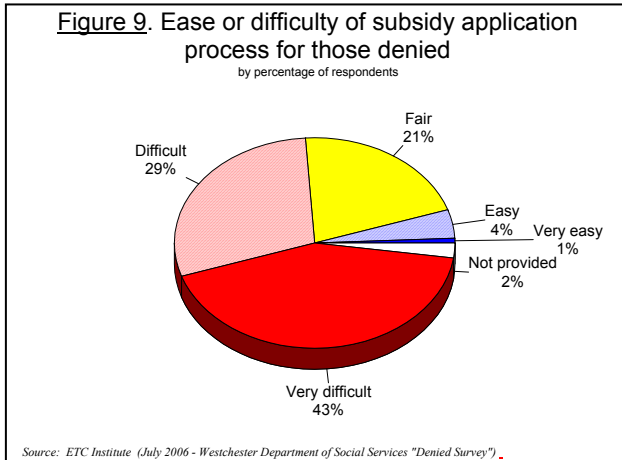
Respondents primarily learned that subsidies were available from either friends or relatives or a child care center or babysitter. Figure 8 shows that almost three-fourths (72 percent) felt the paperwork was more than expected and about one-fourth (25 percent) felt it was about what they expected. Three fourths (75 percent) completed the paperwork themselves and another 20 percent had a child care provider

**Figure 8. Description of paperwork by those denied**





help them complete the paperwork.



The time that the process took to receive a letter denying them help varied with 20 percent indicating two weeks or less, 27 percent three or four weeks, 24 percent five to eight weeks, and 22 percent more than two months.

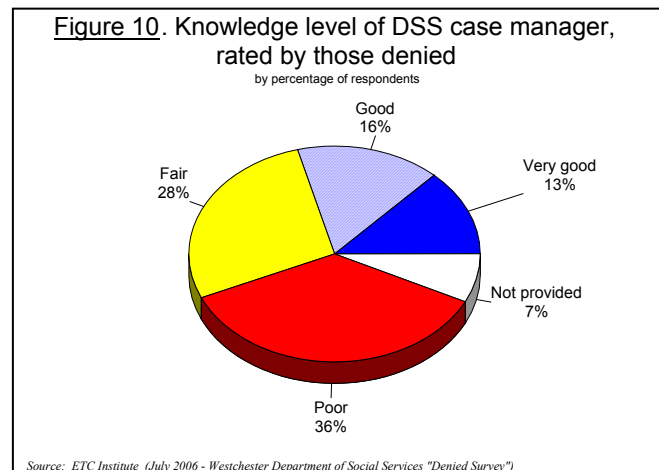
Almost three fourths (72 percent) felt that the process to apply for help from DSS to pay for child care was either very difficult (43 percent) or difficult (29 percent); another 21 percent thought it was fair (between difficult and easy)

and 5 percent thought it was easy or very easy (see Figure 9).

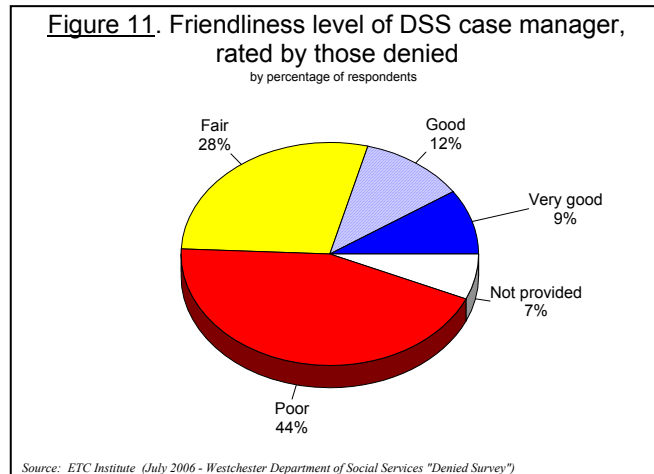
About half (52 percent) have told other friends or relatives about how the county can pay for part of the cost of child care, with about half giving positive comments and the other half giving negative comments.

### Quality of Interactions with DSS Case Managers

Families denied subsidy experienced variable levels of knowledge in the DSS case managers with whom they worked (see Figure 10). A total of 13 percent of respondents characterized the knowledge of staff as very good, 16 percent rated it as good, 28 percent stated it was fair, and 36 percent characterized staff knowledge as poor; the remainder did not provide a rating.



The friendliness of the DSS case managers varied much less, with 9 percent of respondents rating it as very good, 12 percent stating it was good, 28 percent calling it fair, and 44 percent rating it as poor (see Figure 11). The remainder did not provide a rating.



### Survey of Family Child Care Providers/Family Group Homes

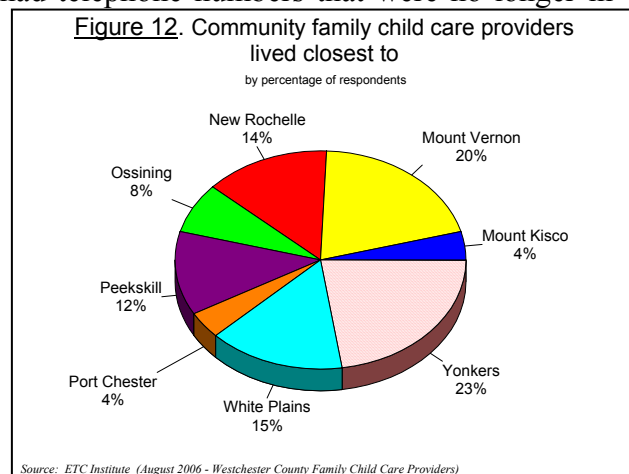
#### Research Methods Overview

ETC Institute mailed surveys to all registered family child care homes and licensed group child care homes,<sup>8</sup> a total of 421 surveys; 5 were returned as undeliverable. A total of 172 providers completed and returned the survey, exceeding the goal of 150.

The surveys were mailed with a cover letter explaining the purpose of the survey and a postage-paid return envelope. ETC Institute also provided a toll-free telephone number staffed by both English and Spanish speakers to answer any questions from respondents.

ETC Institute staff attempted to make telephone contact with each provider; 12 indicated that they were no longer in business and 38 had telephone numbers that were no longer in service. Combining mailed-in and telephone surveys resulted in a 47 percent response rate. The results have a 95 percent level of confidence with a precision of +/-5.5 percent.

All surveys returned to ETC Institute contained no identifying information unless the respondent chose to voluntarily provide it. Similarly, ETC staff recorded no identifying information on surveys completed by telephone.



<sup>8</sup> All registered family child care homes and licensed group child care homes are subject to NYS OCFS regulations.

### Overview of respondents

As shown in Figure 12, the two communities with the largest percentage of respondents were Yonkers (23 percent) and Mount Vernon (20 percent). Slightly more than half (56 percent) were family child care providers and the remaining 44 percent were group family child care providers. The data were examined separately for the licensed group homes and these results were similar to the overall results presented in this summary.

### Education levels

Education levels among the providers ranged from high school (28 percent), some college (26 percent), associate's degrees (18 percent), and bachelor's degrees or higher (24 percent). More than half of the providers had completed some college education in early childhood studies, while 44 percent had none.

### Operating hours

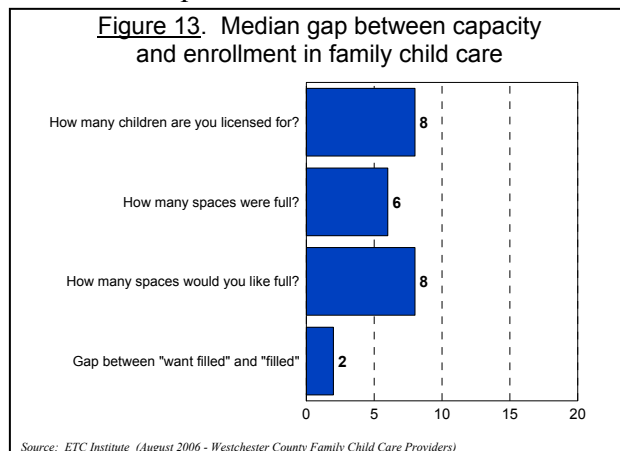
Approximately 63 percent of providers allowed parents to drop their children off at 7:00 A.M. or earlier, 27 percent opened between 7:00 A.M. and 7:30 A.M., and 10 percent opened after 7:30 A.M. A total of one-fifth (20 percent) required children to be picked up by 5:30 P.M., 49 percent closed at 6:00 P.M., 24 percent required children to be picked up by 7:00 P.M., and the remaining 7 percent allowed children to be picked up after 7:30 P.M.

Three-fourths (76 percent) of the programs did not offer child care during the evenings and weekends, while 14 percent offered both evening and weekend. Another 4 percent offered weekend care and 6 percent offered evening care.

### Enrollment

More than half of the respondents (58 percent) were licensed for 8 or more children and the remaining 42 percent were licensed for 7 or fewer children. Over half (74 percent) of the programs cared for one or more children on a part-time basis, while 26 percent did not have any children enrolled part-time. Participants (49 percent) and non-participants (51 percent) in Child and Adult Care Food Programs were almost equal.

Figure 13 reveals the under-enrollment status of family child care and group homes in the county. The median number of children that respondents were licensed to serve was 8. The median number of children attending was 6 children, so there was an average "gap" of two children between desired and actual enrollment.



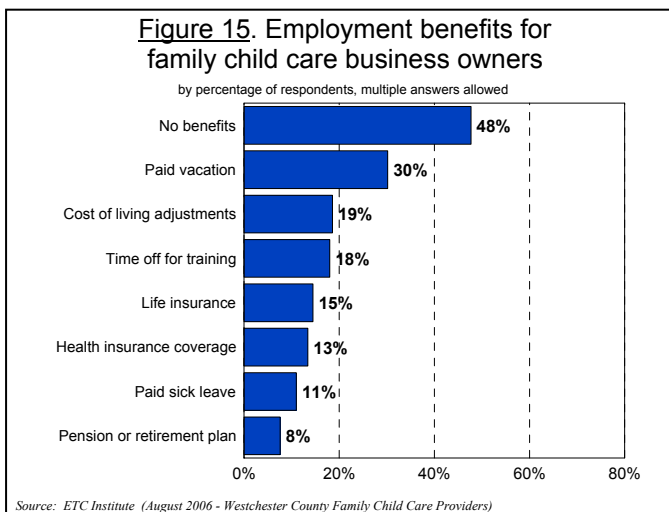
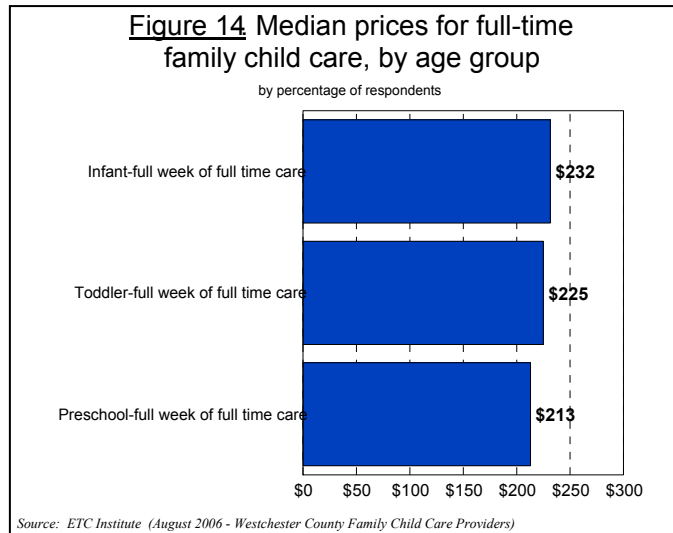
Over three-fourths of providers (85 percent) indicated that they accepted fees paid by the Westchester County Department of Social Services,<sup>9</sup> yet 56 percent of those accepting subsidies indicated that they currently had no children receiving a DSS subsidy enrolled in their program.

Fees

Figure 14 shows the median prices charged for full time care in family child care and group homes: \$232 for infants, \$225 for toddlers and \$213 for preschoolers.

The median prices for three hours of part-time care were \$30 for infants, \$25 for toddlers and \$24 for preschoolers.

For school aged children needing before and after school care, the median price was \$100. The 25<sup>th</sup> percentile was \$75, meaning that 25 percent of providers charged less than \$75. The 75<sup>th</sup> percentile was \$145, meaning that 25 percent of providers charged more than \$145.



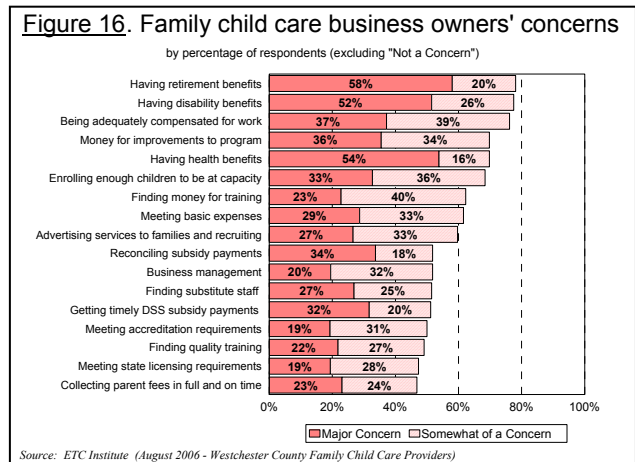
Provider Benefits

Almost half (48 percent) of family child care providers do not include benefits for themselves or their employees in their budgets. 30 percent offer paid vacations, 19 percent gave cost of living adjustments, 18 percent offer paid time off for training, 15 percent provided life insurance, 13 percent offer health care coverage, 11 percent give paid sick leave, and 8 percent offered pension or retirement plans (see Figure 15).

<sup>9</sup> Westchester County DSS has not been informed of any instances of a child care provider refusing to provide services to a family eligible for the subsidy program.

Challenges for providers

Figure 16 shows that major concerns among family providers were: having retirement benefits (58 percent), disability benefits (52 percent), or health benefits (54 percent); being adequately compensated for work (37 percent), having enough money for improvements to their programs (36 percent), enrolling enough children to be at capacity (33 percent), reconciling subsidy payments (34 percent), and getting timely DSS subsidy payments (32 percent).



When the “somewhat concerned” are added to the “major concerns”, family providers expressed concerns with having retirement benefits (78 percent), having disability benefits (78 percent), being adequately compensated for work (76 percent), having money for improvements to the program (70 percent), having health benefits (70 percent), enrolling enough children to be at capacity (69 percent), finding money for training (63 percent), meeting basic expenses (62 percent), advertising services to families and recruiting (60 percent), reconciling subsidy payments (52 percent), business management (52 percent), finding substitute staff (52 percent), getting timely DSS subsidy payments (52 percent), meeting accreditation requirements (50 percent), finding quality training (49 percent), meeting state licensing requirements (47 percent), and collecting parent fees in full and on time (47 percent).

**Survey of Child Care Centers and Nursery Schools**

Research Methods Overview

ETC Institute mailed surveys to 332 licensed and license-exempt child care programs and 242 nursery schools; 7 were returned as undeliverable. ETC Institute staff then attempted telephone contact with each center or nursery school; 13 indicated that they were no longer in business and 28 had telephone numbers that were no longer in service. 177 providers (out of 526) returned completed surveys, a 34 percent response rate. Of these, 126 were child care centers and 51 were nursery schools. The results have a 95 percent level of confidence with a precision of +/-6 percent. All surveys returned to ETC Institute contained no identifying information unless the respondent chose to voluntarily provide it. Similarly, ETC staff recorded no identifying information on surveys completed by telephone.

In the results described below, the phrase “all programs” indicates inclusion of child care centers and nursery schools in the data. Otherwise, data are specifically ascribed to one type of program or the other.

### Demographics

Licensed programs were primarily in Yonkers (20 percent), White Plains (19 percent), Mount Kisco (17 percent) and Mount Vernon (13 percent). More than three-fourths (76 percent) of the programs were not-for-profit, while 24 percent were for-profit. Nursery schools were slightly more likely to be not-for-profit (88 percent, compared to 71 percent of centers) and child care centers were more likely to be for-profit (29 percent, compared to 12 percent of nursery schools). Approximately three-fourths of all programs (76 percent) were licensed: 90 percent of centers and 41 percent of nursery schools.

Almost three-quarters (71 percent) of child care centers indicated that they accept children whose fees are paid by DSS, as do 28 percent of nursery schools (see footnote 8). Yet 25 percent of child care centers and 83 percent of nursery schools that said they accept DSS payments indicated that no children on subsidy were enrolled during the first three months of 2006.

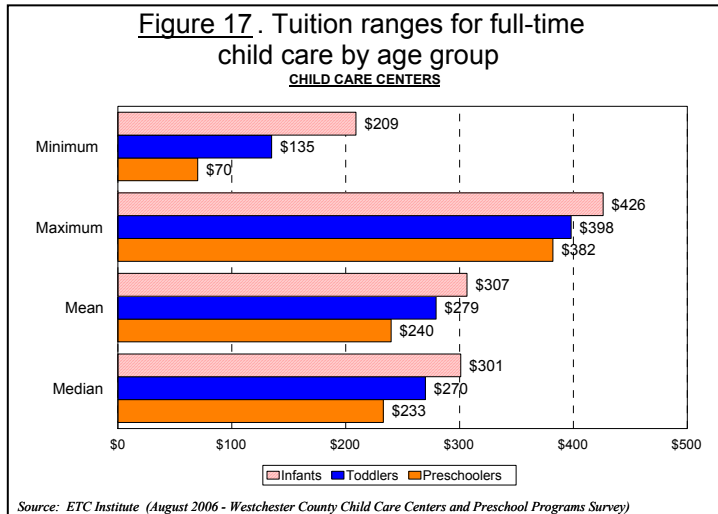
Sixteen percent (16%) of respondents indicated that previously enrolled parents who received subsidy payments withdrew from the subsidy program and the child care program because they were unwilling to provide information to DSS for pursuit of child support payments. However, the mean number of subsidized children enrolled in child care centers remained stable, with a very slight increase, from early 2005 to early 2006 (means of 13.67 and 13.86, respectively).

Over three-fourths (88 percent) of all these programs do not receive Head Start funding. 10 percent of child care centers and 14 percent of nursery schools do partner with Head Start and receive funding from a Head Start grantee. Most programs (92 percent) do not receive state pre-K funds; 6 percent of child care centers and 4 percent of nursery schools do contract to provide state-funded pre-K.

### Hours of Operation

Approximately 3 percent of all programs allow children to be dropped off before 7:00 A.M. 37 percent of child care centers do not allow children to arrive before 7:00 A.M. and 32 percent do not allow them to arrive before 7:30 A.M. 8 percent of full-day child care centers do not allow children to arrive prior to 8:00 A.M.

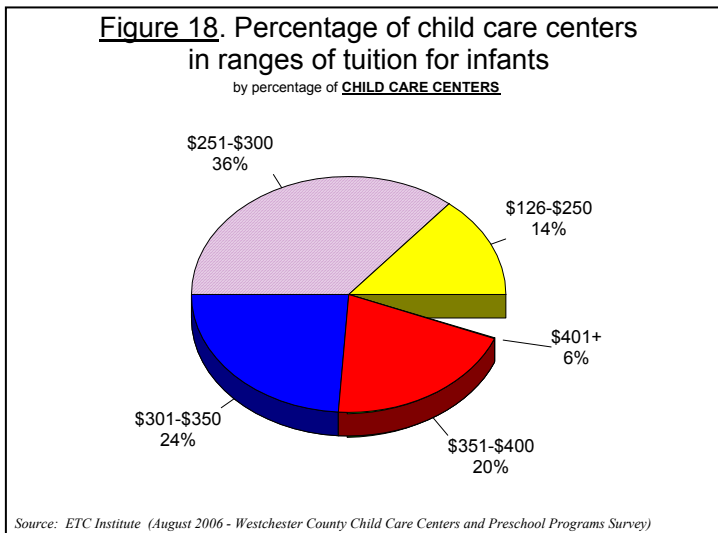
At the end of the day, 15 percent of child care centers require parents to pick up their children by 5:30 P.M. and 53 percent require that they be picked up no later than 6:00 P.M. Only 8 percent let children stay until 6:30 P.M. and only 6 percent will keep children until 7:00 P.M. A surprising result was that 4 percent of child care centers (approximately 5 centers) require parents to pick up their children prior to 4:30 P.M.



Tuition

Figure 17 shows that the median costs reported for a full-time full week in child care programs were: \$301 for infants, \$270 for toddlers and \$233 for preschoolers. The median cost for a week of before and after school care was \$110. The minimums for a week of child care were: \$209 for infants, \$135 for toddlers and \$70 for preschoolers.

50 percent of nursery school programs reported charging \$125 or less for a full-day, full-week program.<sup>10</sup> The median cost for 3 hours of preschool for two days a week was \$67.



The majority of child care centers reported charging between \$251 and \$350 per week for full-time infant care (see Figure 18). 20 percent charge between \$351 and \$400 and another 6 percent charge more than \$400 per week. Only 14 percent charge \$250 or less per week for infant care.

<sup>10</sup> 41 percent of preschools indicated that they were licensed, which would legally allow them to offer a full-day wrap-around service for a part-day preschool program

Figure 19 shows that almost 50 percent of child care centers reported that they charge between \$251 and \$350 for full-day, full-week care for a toddler in a child care center. Another 40 percent charge less than \$250 but no programs charge less than \$126 per week. 13 percent charge more than \$351 per week for toddlers.

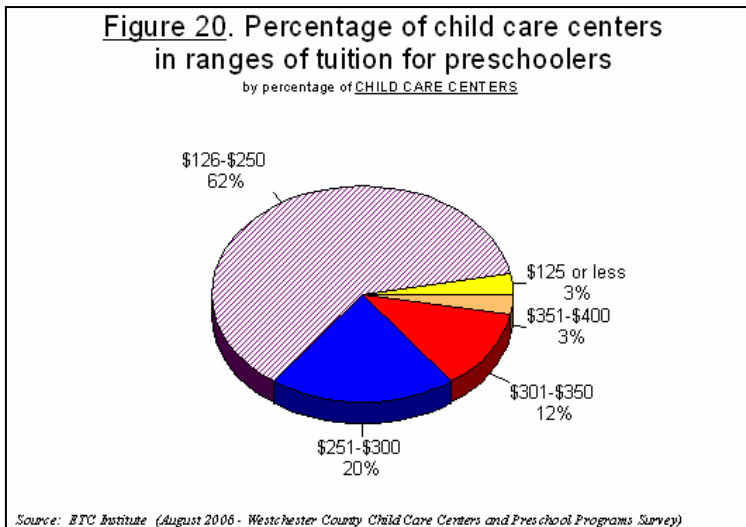
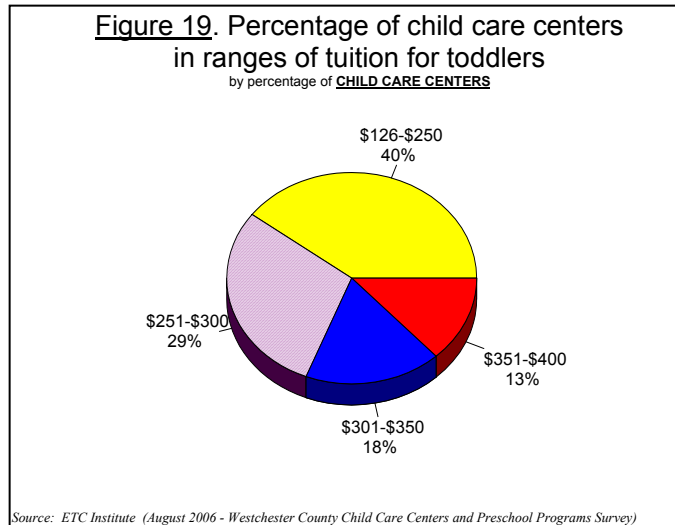
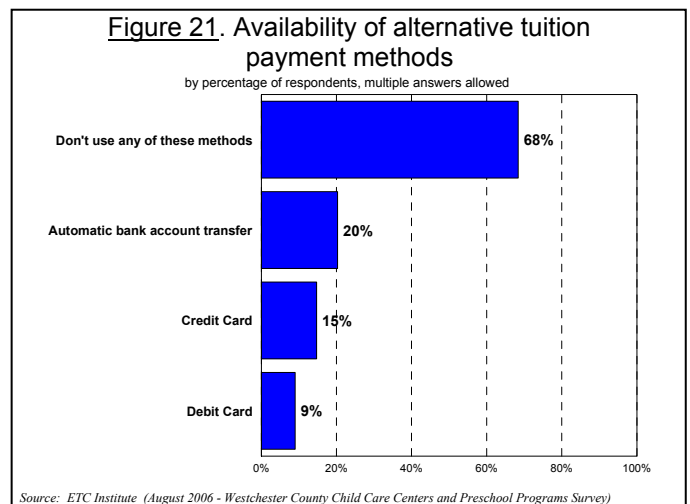


Figure 20 shows that for a preschooler, 3 percent of child care centers reported that they charge \$125 or less for a full week of full-time care. 62 percent charge between \$126 and \$250 and 20 percent charge between \$251 and \$300. 12 percent charge between \$310 and \$350 for a full-time preschooler, and 3 percent charge between \$351 and \$400.

Over half (58 percent) of all programs offer discounted fees for siblings enrolled in the program, with 53 percent offering employee discounts, and 3 percent offering discounts for prompt payments.

**Tuition payment**

More than two-thirds of the centers do not have alternative methods for parents to pay fees. One-fifth (20 percent) use automatic bank account transfers; 15 percent use credit cards and 9 percent use debit cards.





Tuition Relative to Subsidy Reimbursement Level

Table 1 compares countywide and community-area data from this survey to the Market Rates set by the New York State Office of Child and Family Services and the Westchester County Child Care Subsidy Reimbursement Rates (rounded to nearest dollar).

<b>Table 1. Child Care Center Tuition By Community</b>			
<b>Child Care Tuition Amounts (per week, FT)</b>	<b>Infant</b>	<b>Toddler</b>	<b>Preschool</b>
<i>Countywide Data</i>			
Market Rate set by NYS OCFS	\$300	\$281	\$233
Westchester Child Care Subsidy Reimbursement (at the time of data collection)	\$252	\$230	\$210
Westchester Child Care Subsidy Reimbursement (proposed rates for 2007)	\$287	\$262	\$233
Mean*	\$306	\$279	\$240
Maximum*	\$426	\$398	\$382
75 <sup>th</sup> percentile*	\$352	\$326	\$270
<i>Means by Community</i>			
Mt. Kisco and surrounding area*^	\$331	\$315	\$259
Mt. Vernon and surrounding area *^	\$243	\$239	\$226
New Rochelle and surrounding area *^	\$256	\$257	\$222
Ossining and surrounding area *^	\$317	\$268	\$230
Peekskill and surrounding area *^	\$254	\$249	\$236
Port Chester and surrounding area *^	\$353	\$321	\$256
White Plains and surrounding area *^	\$367	\$317	\$255
Yonkers and surrounding area *^	\$296	\$269	\$228
<i>Maximums by Community</i>			
Mt. Kisco and surrounding area*^	\$373	\$366	\$375
Mt. Vernon and surrounding area *^	\$252	\$273	\$375
New Rochelle and surrounding area *^	\$263	\$384	\$319
Ossining and surrounding area *^	\$334	\$302	\$260
Peekskill and surrounding area *^	\$285	\$273	\$259
Port Chester and surrounding area *^	\$393	\$368	\$314
White Plains and surrounding area *^	\$422	\$398	\$382
Yonkers and surrounding area *^	\$426	\$387	\$350
<i>75<sup>th</sup> Percentile by Community</i>			
Mt. Kisco and surrounding area*^	\$364	\$342	\$282
Mt. Vernon and surrounding area *^	\$252	\$250	\$228
New Rochelle and surrounding area *^	\$256	\$284	\$237
Ossining and surrounding area *^	\$320	\$296	\$250
Peekskill and surrounding area *^	\$250	\$250	\$250
Port Chester and surrounding area *^	\$372	\$342	\$278
White Plains and surrounding area *^	\$390	\$352	\$295
Yonkers and surrounding area *^	\$275	\$266	\$243

\*As measured by the Child Care Center survey in this ETC Institute research project.

^These data have a high error rate because of small sample sizes.

At the time of this survey, the mean tuition rate, maximum tuition rate and 75<sup>th</sup> percentile of tuition rates for toddlers and preschoolers were higher in all parts of the county than the reimbursement rates for child care subsidy being paid by Westchester County DSS. Means and maximums for infants were higher than subsidy reimbursement in all communities except Mt. Vernon. The 75<sup>th</sup> percentile of tuition rates for infants was higher than subsidy reimbursement in all communities except Mt. Vernon and Peekskill.

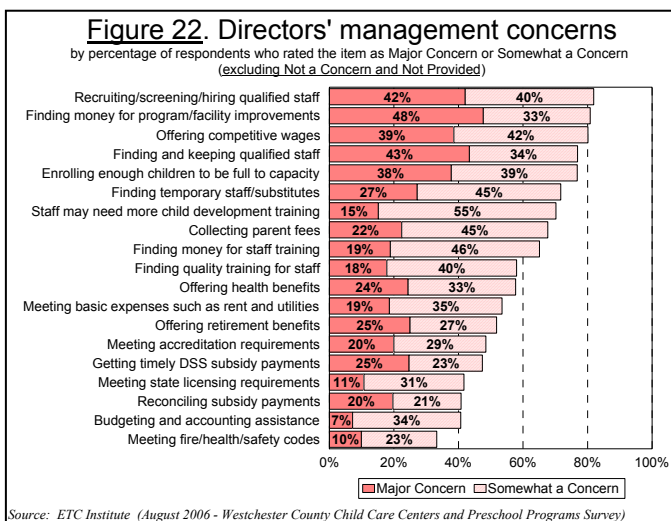
In its budget for 2007, Westchester County DSS has raised reimbursement rates by 14 percent. The infant and toddler rates are still below the market rate set by the state. These new reimbursement rates are still below the maximums charged in most communities and, for infant and toddlers, are below the mean rate for infant care in five of the eight community-based areas of the county. The new preschool rate is at or above the means in five of eight communities but below the maximum rates being charged in all areas of the county. The new infant, toddler and preschool rates are all three still below the 75<sup>th</sup> percentile of rates charged in half the communities in the county.

Just over a third (36 percent) of the mean tuition rates that are less than the new subsidy reimbursement rates are found in communities where the majority of families on subsidy live (Yonkers and Mt. Vernon). The 75<sup>th</sup> percentile tuition rates for all ages in Mt. Vernon are below the new DSS reimbursement rates but only the infant rate is below the reimbursement rate in Yonkers. The 75<sup>th</sup> percentile of tuition rates for toddlers and preschoolers in Yonkers are only a few dollars more than the new reimbursement rates (e.g., \$266 as the 75<sup>th</sup> percentile tuition rate for toddlers, compared to \$262 as the new reimbursement rate). In White Plains, where 10 percent of persons receiving subsidy live, the new subsidy reimbursement rates are \$103, \$90 and \$56 below the 75<sup>th</sup> percentile of tuition rates for infants, toddlers and preschoolers, respectively. These new reimbursement rates are \$135, \$134 and \$143 less than the maximum tuition rates charged in White Plains for infants, toddlers and preschoolers, respectively.

#### Directors' Scope of Responsibilities

Directors have primary responsibilities for the following functions: collecting fees (43 percent), sending out bills (37 percent), submitting child and adult care food (31 percent), recording accounts receivable/payable (32 percent), processing DSS paperwork for child care subsidy (49 percent), tracking enrollment (74 percent), recruiting new children when vacancies open (71 percent), recruiting new staff (85 percent), training/orienting new staff (76 percent), supervising classroom teachers (78 percent), ordering supplies and equipment (56 percent), meeting with prospective parents (61 percent), addressing questions/concerns with billing (56 percent), addressing questions/concerns with program (74 percent), and responding to children with challenges (50 percent).

Other staff had primary responsibility for: collecting fees (40 percent), sending out bills (54 percent), submitting child and adult care food (59 percent), recording accounts receivable/payable (56 percent), processing DSS paperwork (41 percent), tracking enrollment (15 percent), recruiting new children when vacancy occurs (17 percent), recruiting new staff (7 percent), training/orienting new staff (7 percent), supervising classroom teachers (10 percent), ordering supplies/equipment (27 percent), meeting prospective parents (14 percent), addressing questions/concerns with billing (25 percent), addressing questions/concerns with program (6 percent), and responding to children with challenges (11 percent). Four percent of programs or less contracted out fee collection, sending out bills and other back office functions.



### Directors' Concerns

Major management concerns among child care centers and preschool directors are detailed in Figure 22. Their most pressing concerns were: finding money for program and facility improvements (48 percent), recruiting / screening / hiring qualified staff (42 percent), finding and keeping qualified staff (43 percent), offering competitive wages (39 percent), and enrolling enough children to be at full capacity (38 percent). Four of these five major concerns are financial.

When the “somewhat concerned” items were added to the “major concern” items, programs’ top seven concerns were, in order of combined concern:

- Recruiting/screening/hiring qualified staff (82 percent)
- Finding money for program/facility (81 percent)
- Offering competitive wages (81 percent)
- Enrolling enough children to be at full capacity (77 percent)
- Finding and keeping qualified staff (77 percent)
- Finding temporary staff/substitutes (72 percent)
- Concerns that some of the staff may need more training in child development (70 percent)

Four of these seven top concerns are primarily financial.

In addition, 50 percent to 65 percent of directors were concerned about:

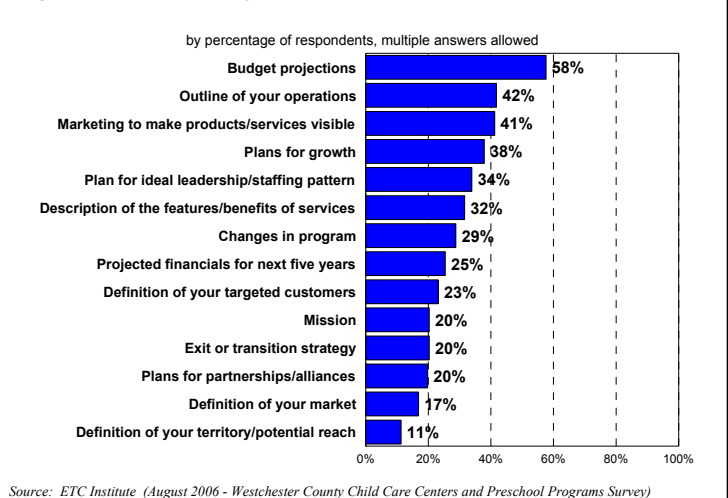
- Collecting parent fees (or co-payments) in full and on time (67 percent)
- Finding money for staff training (65 percent)
- Finding quality training for staff (58 percent)
- Offering health benefits (57 percent)
- Meeting basic expenses (54 percent)
- Offering retirement benefits (52 percent)

Five of these six additional concerns are related to finances, as well.

### Business Planning

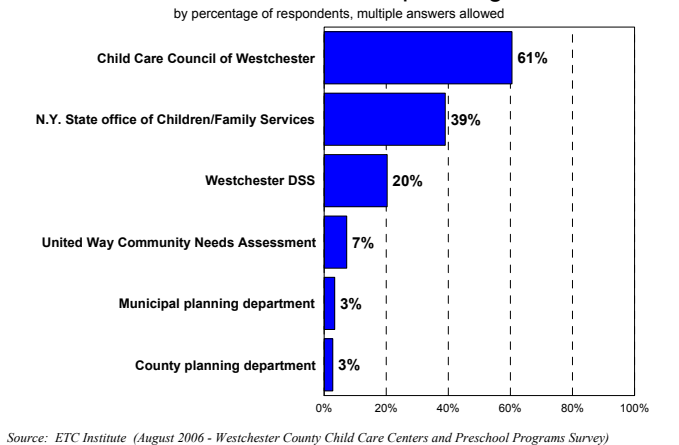
Directors were asked what components of a business plan they had developed or updated in the preceding 12 months (Figure 23). Only 58 percent had updated a budget within the preceding 12 months and just 25 percent had created five-year financial projections. Less than one third (32 percent) had developed or updated a description of the features and benefits of their services and less than a quarter (23 percent) had defined a target market of customers. Twelve percent had not developed or updated any of the 14 specific business activities listed on the survey.

**Figure 23. Recently updated business plan components**



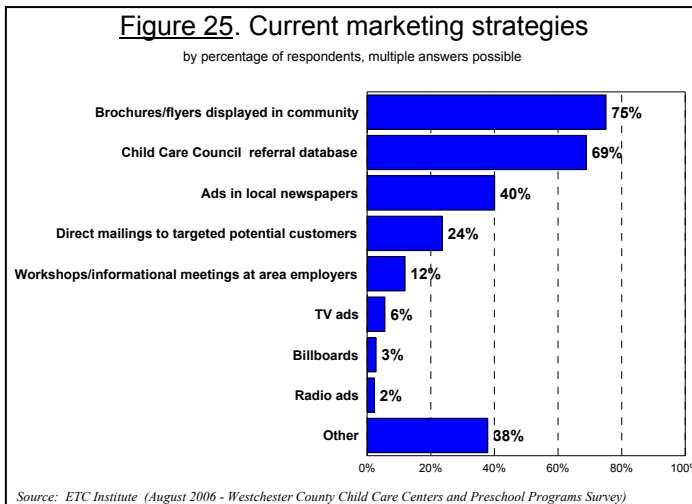
Most center and preschool directors reported that they had not turned to traditional sources of business and business planning support in the preceding 12 months. Only 3 percent had turned to their county or municipal planning offices for help in planning their programs, and just 20 percent had sought help from the area's United Way. Well above half (61 percent) had sought help in planning for their program from the Child Care Council of Westchester and 39 percent had asked the New York State Office of Children and Family Services for assistance.

**Figure 24. Organizations consulted for assistance with planning**



### Profitability

One-fourth (25 percent) of the programs made a profit, while 36 percent broke even, and 24 percent ran a deficit, partially attributed to the write-off of unpaid tuition. The median amount written off by the county's child care centers in the preceding fiscal year was \$2,854. The median amount written off by preschools was \$1,233 (43 percent of that written off by child care centers). Twenty percent of programs have reduced their teaching staff during the last year as a result of not at least breaking even.



### Marketing

75 percent of all programs market their services to potential clients through brochures/flyers, and 69 percent list themselves in the referral database at the Westchester Child Care Council. Other marketing strategies are used much less frequently: ads in local newspapers (40 percent), direct mailings (24 percent), and workshops / information meetings at area employers (12 percent). 6 percent or less use billboards, radio ads and television ads. 38

percent identified other strategies, which included: ads in busses, in church bulletins and local family magazines or parent guides; through websites, school districts, and community organizations; and yellow pages listings. 27 programs listed word-of-mouth as a marketing strategy they rely on.

## **Survey of Parents of Children under Age 13**

### Research Methods Overview

ETC Institute purchased a list of households with children under the age of 13 from Edith Roman, a company that provides lists of specific demographic groups for survey purposes. ETC mailed surveys to 8,000 households; 101 were returned as undeliverable and the cover letter instructed that households without children under the age of 13 should not complete the survey. ETC Institute staff attempted to make telephone contact with a random sample of survey recipients to encourage their participation and request their completion of the survey by telephone if they had not yet mailed it.

Combining surveys returned by mail and those completed by phone generated 1,842 completed surveys, a 23 percent response rate for all households in the original sample. The results have a 95 percent level of confidence with a precision of +/-2.5 percent. All surveys returned to ETC Institute contained no identifying information unless the respondent chose to voluntarily provide it. Similarly, ETC staff recorded no identifying information on surveys completed by telephone.

Demographics of Respondents

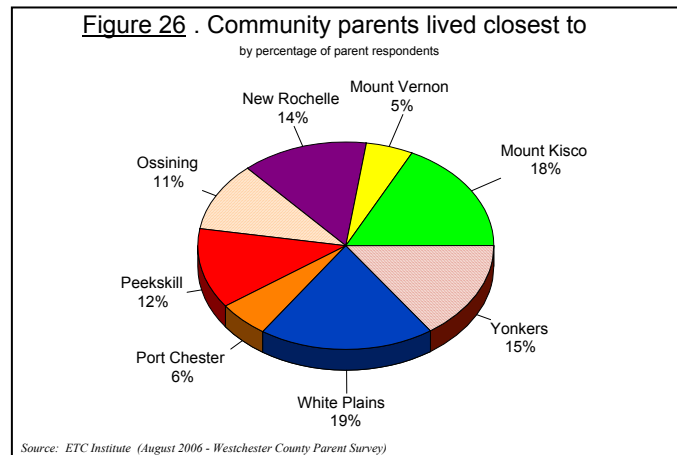
Four-fifths (80 percent) of the respondents were female and 20 percent were male. These families had an average of two children under age 13 in their household. Respondents were allowed to specify more than one race/ethnic background. Eight percent were Black/African American, 12 percent were Hispanic, 6 percent were Asian, 2 percent identified themselves as other (such as American Indian) and 75 percent were White.

Almost two-thirds (62 percent) of the respondents indicated that their children under age 13 regularly spend part of their day alone or with someone other than a parent.

- More than half of respondents (60 percent) were from households with two working parents or a single employed parent.
- Another 38 percent had one parent working and another parent staying home to take care of the children.
- Two percent were not employed or did not respond to the question about employment.
- The majority (69 percent) of the working parents worked at least 40 hours per week.

Community of residence

Figure 26 indicates that survey returns were well distributed across the county, with between 11 percent and 19 percent of respondents residing in or near each of these communities: Ossining, Peekskill, New Rochelle, Yonkers, Mount Kisco, and White Plains. Smaller groups of respondents came from the areas in and around Mount Vernon (5 percent) and Port Chester (6 percent).



Types of care by age

Among children under age 13 who spent time with someone other than their parents, 22 percent were under age 3, 36 percent were between age 3 and 5 (not in school); 9 percent were ages 5 or 6 (in school); and 33 percent of the children were ages 7-12.

Choice of care arrangement	Households with Children <3	Households with Children 3-5
In-home nanny or babysitter	45%	39%
Private part-day preschool or nursery school	N/A	45%
Grandparents	34%	33%
Full-day child care center	20%	23%

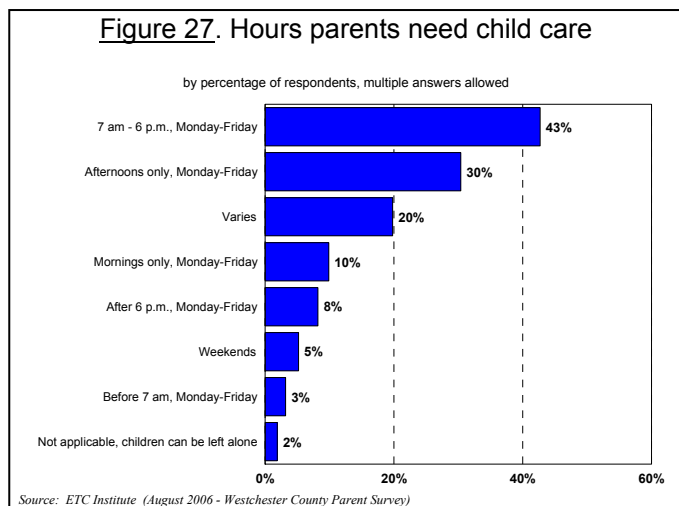
Table 2<sup>11</sup> indicates the top four choices for children up to age five but not yet in kindergarten. Households with children under age 3 were most likely to choose an in-home nanny/babysitter in their home or grandparents for their children’s care. Households with children ages 3-5 were most likely to choose a private, part-day preschool or nursery school, an in-home nanny/babysitter, or grandparents. Only 20 percent and 23 percent of households with children in these age groups, respectively, chose a full-time child care center.

<b>Table 3. Primary Care Arrangements for Older Children</b>		
Choice of care arrangement	Households with Children 5-6	Households with Children 7-12
In-home nanny or babysitter	37%	46%
Grandparents	36%	36%
Before/after school program at school	32%	34%
Another relative	20%	24%

Table 3 indicates the top four choices for children age five and above who are also in school. Households with children ages 5-6 were most likely to choose a nanny/babysitter in their home, when the children were not in school, a before/after school program at school, their grandparents or other relative, or a before/after school program at their school. Households with children ages 7 and older were most likely to choose an in-home nanny/babysitter, when the children were out of school, grandparents or other relatives, or a before/after school program at school. Only 20 percent and 19 percent of households with children in these two age groups, respectively, chose a before/after school program at a location away from the children’s school. (Some of these programs are a service in a full-time child care center.)

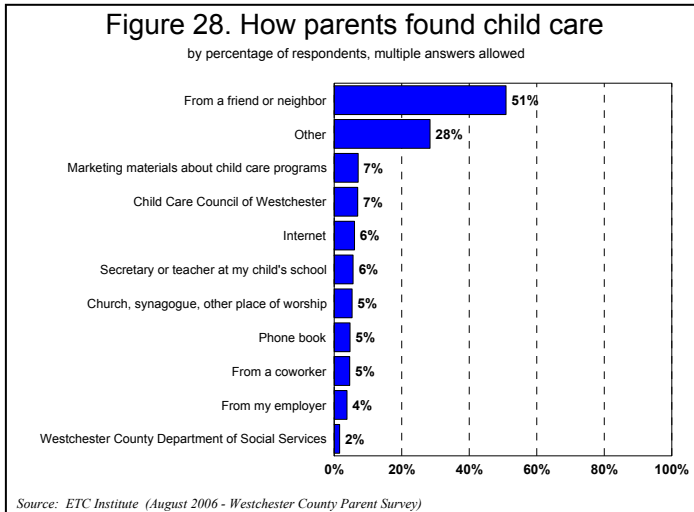
Hours in Care

Children under age 3 who spent time with someone other than a parent were in that arrangement an average of 30 hours per week. Children ages 3-5 were with someone other than parents an average of 26 hours per week. For school age children, the average weekly number of hours in non-parent care was 13 hours, not including the hours they were at school.



<sup>11</sup> Percentages in Tables 2 and 3 will sum to more than 100 percent because of multiple children in a household and multiple care arrangements for a given child.

Figure 27 shows the times when parents said they needed someone else to be with their children. Most (43 percent) needed either a full day, from 7:00 A.M. to 6:00 P.M., Monday through Friday, or afternoons only, Monday through Friday (30 percent). 20 percent of parents reported that their need for child care varied from week to week.



How parents found child care

Figure 28 indicates that most parents (51 percent) learned about their current child care arrangement through a friend or neighbor. While 7 percent of all respondents used the Child Care Council of Westchester County to locate child care, there were some demographic differences. The lowest income families (under \$54,999 per year) and the highest income families (\$100,000 or more per year) were more likely to use the Child Care Council (10 percent and 8 percent, respectively), as compared to parents of middle-income (\$55,000 to \$99,999 per year).

2.5 to 3 percent of these parents used the Child Care Council. Also, 11 percent of the Black/African Americans used the Westchester Child Care Council.

Cost

The average amount spent per week per child was \$202 for children under age 3, \$192 for children ages 3-5 who were not in school, and \$102 for children ages 5 and older who were in school. These figures contrast sharply to the tuition charges at full-time child care centers, as shown in Table 4.

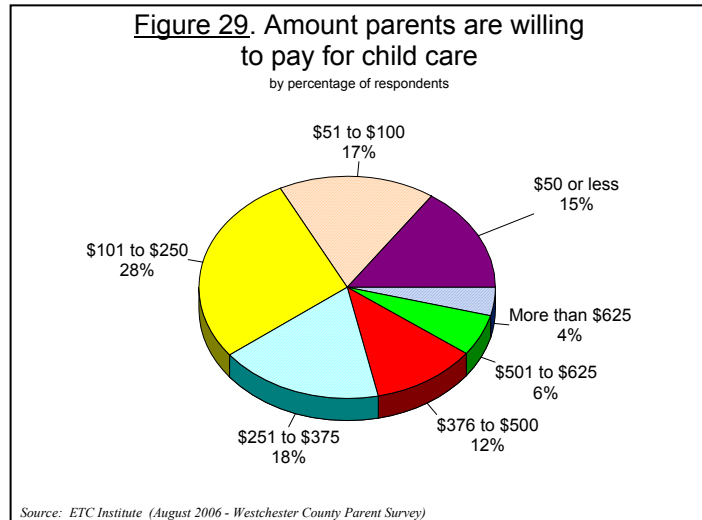
Age of child	What parents pay	What centers charge	
		Infant	Toddler
Under age 3	\$202	\$307	\$279
Ages 3 – 5	\$192	\$240	

What Parents Want to Pay

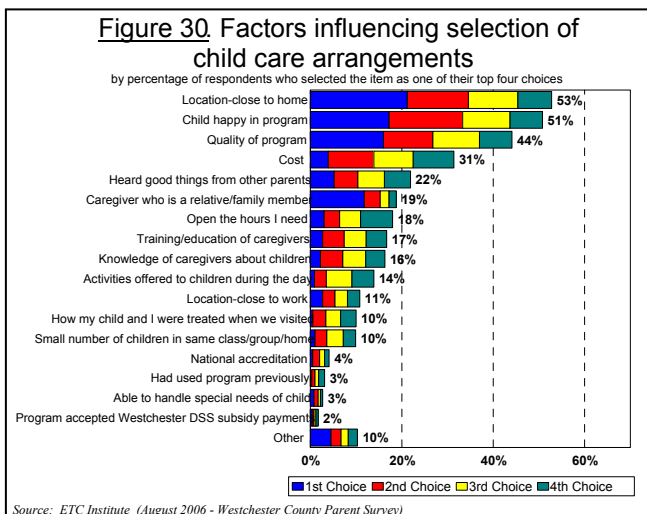
The median amount that parents indicated they would be willing to pay for child care each week for all their children was under \$250. Figure 29 shows that almost 20 percent were willing to pay amounts high enough to cover current tuitions (\$376 to \$625 per week), but 15 percent were willing to pay only \$50 per week. The largest group of parents (28 percent) were willing to pay between \$101 and \$250 per week.



Not surprisingly, income was an important factor affecting what parents said they were willing to pay per week. 32 percent of parents with household incomes of less than \$35,000 per year were willing to pay \$50 or less, compared to 7 percent of parents at \$100,000 or more of income. In the same vein, 14 percent of families in the highest income category were willing to pay between \$356 and \$500 per week, while only 2 percent of parents in the lowest income category were willing to pay that much. The amount at which there was even distribution across all income levels was the \$101 to \$250 per week tuition level, with between 21 percent and 29 percent of parents in every income category willing to pay that amount.



The number of children needing care was not a factor that influenced parents' willingness to pay more for child care. The willingness to pay more did not change as the number of children increased. Very likely, this pattern resulted from the large number of families using in-home nanny/babysitter care, for which one amount covers all children, rather than full-day child care centers, where each child added increases the payment.



Factors in selecting care arrangements

Parents were asked to select their top four factors in selecting their current child care arrangement. Figure 30 indicates that, overall, the four most important factors that guided parents' selection of child care, in order of importance, were: a location close to home, a place where their child was happy, the quality of the program, and its cost.

However, overall, cost was far less important as a first priority and, even, a second priority, as compared to a location close to home, or compared to the child's happiness in the program. (Compare the blue portions of the bars in Figure 30 to compare first priorities and the red portions to compare second

priorities). In fact, having heard good things about the program from other parents, or having a caregiver who was a relative or family member were both more influential factors than cost, as a first-choice factor. Unsurprisingly, income level did influence this pattern. For those with incomes under \$75,000, cost was one of the four priorities for more than half of parents. For these families, cost was more likely to be a second priority, rather than a third or fourth priority.

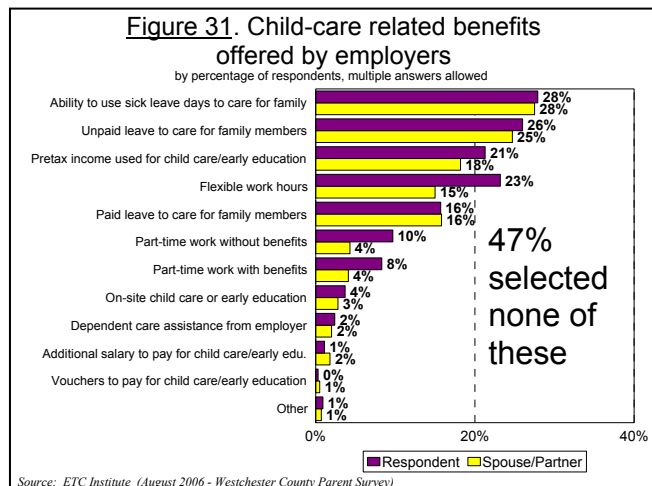
Looking at other demographic differences in these responses, two-thirds of parents with incomes under \$35,000 chose “location close to home” as one of their top four factors. A program close to home was the first of four factors for 38 percent of parents with these lower incomes, as compared to between 18 and 25 percent of families with higher incomes. Survey data from the subsidy-denied and subsidy-received populations indicated that 32 to 40 percent of lower income parents walk their child to child care and 28 to 29 percent use public transportation. These data may provide some explanation for the larger interest in a program close to home in these families.

Assistance with child care costs

Only 12 percent of parents reported using the federal or state Dependent Care Tax Credit. A significant demographic variation in these data was that more Black/African American parents (22 percent) had used the federal or state tax credit, compared to other racial/ethnic groups.

Figure 31 shows that just 7 percent of parents had used a dependent care assistance plan (pretax set aside for child care expenses or additional salary to pay for child care) offered by their employer. Between 23 and 28 percent of parents indicated that their or their spouse’s employer offered some child care-related benefits, including flexible work hours, unpaid leave to care for family members, and the ability to use sick leave days to care for family members.

In general, the higher the household income, the more likely that the household had some access to benefits at work. For households with incomes under \$35,000, only 35 percent received some type of child care assistance, compared to 53 percent across all income categories. This result may be related to the type of employer and whether the job is full-time or part-time. However, most significant in the data on child care-related employee benefits was that 47 percent of parents indicated that neither they nor their spouse had access to any of the benefits listed. These responses could indicate either that employers are not making



these benefits available to families or that parents are not aware of their availability.

Of those who responded to a question about DSS child care subsidy, 97 percent had never applied for this form of help with child care costs. One percent applied for and currently receive help; one percent applied and were denied; and one percent were found ineligible at recertification. Demographic variations included that, among Black/African American respondents, 4 percent applied for and currently receive assistance; 8 percent applied and were denied; and 3 percent were denied at recertification.

The major reasons parents gave for not applying for DSS subsidy were that: they made too much money (59 percent) or didn't know it was available (11 percent). The major reasons given by those making less than \$35,000 were that they made too much money (11 percent), thought the paperwork was too hard (9 percent), didn't know how to apply (26 percent), lacked trust in DSS (3 percent), or didn't know the subsidy was available (18 percent).

## ***Focus Group Results***

### Research Methods Overview

The research team held four focus groups in Mount Kisco, Ossining, White Plains and Yonkers the week of September 18, 2006, with 45 participants total. One additional person from Ossining who could not attend because of work commitments provided input later via telephone. Two weeks later, ETC Institute staff interviewed an additional 21 persons in the Mount Vernon area by telephone. Combining these groups, the 66 participants had 116 children under age 13 (51 children age birth through 5 (not yet in school) and 65 children who were attending school). This summary of the focus groups results was compiled from both the on-site focus groups and telephone interviews of parents.

### Demographics of Participants

The distribution for the 45 people who attended the on-site focus groups by race/ethnicity was: 11 African Americans, 16 Latinos, 3 Asians and 15 whites. They had a total of 77 children under age 13 (35 children who were age 0-5 and 42 children who were attending school). Most of the focus group participants (N=39) were employed at least part-time and most (N=36) had some type of assistance with child care. Their household income distribution was: 15 with incomes under \$35,000; 14 with incomes \$35,000 to \$74,999; and 16 with incomes of \$75,000 or more.

Following the focus groups, telephone interviews were conducted with 21 parents in Mount Vernon. Mount Vernon was selected for these interviews because parents in the community had responses to the general mail/telephone survey of parents (see pages 33-39) that differed markedly from the overall response of parents in the county.

They had the: highest percentage of both parents working (70%)

- highest percentage who indicated they could pay \$100 or less per week (45%)
- highest percentage who would change to new child care arrangements if they could (16% definitely yes)
- highest percentage for whom transportation to child care was a concern (9%)
- highest percentage who changed child care within the last year because their child was unhappy (18%)
- highest percentage who changed child care because program/provider stopped offering care (18%)
- highest percentage for whom child care close to home was the most important factor for selecting child care (30%)
- highest percentage indicating that they couldn't find a job was the reason for not working (17%)
- highest percentage who had applied for a subsidy (11%: 3% received, 6% denied and 2% found ineligible at recertification).

In their telephone interviews, these parents answered the same questions asked in the focus groups.

The race/ethnicity distribution of participants in the phone survey was: 9 African Americans, 3 Latinos, 8 whites, and 1 unknown (who refused to answer that question). The 21 Mount Vernon parents had a total of 39 children under age 13 (16 were age birth to 5 (not yet in school) and 23 were attending school). Their household income distribution was: 3 with incomes under \$35,000; 6 with incomes \$35,000 to \$74,999; 3 with incomes of \$75,000 to \$99,999; 6 with incomes of \$100,000 or more; and 3 unknown (who refused to answer that question).

Some key trends from the discussions in the on-site focus groups and the answers in the telephone interviews include the following:

#### Needs of Families

- All parents, regardless of income, reported experiencing some difficulties with child care.
- Many families reported relying on family members to care for their children.
- Grandparents and live-in babysitters were a preferred choice for many parents. Parents reported feeling that their children would be well taken care of by grandparents. The cost for a live-in babysitter to care for multiple children can be more affordable than a child care center or family provider.
- Families were patching together complicated child care solutions because they couldn't afford good care and/or there were not programs that met their needs (e.g., programs available were such poor quality that parents were concerned about their children, program hours did not meet their needs in terms of hours or location, transportation was not available from school to program).

- Many parents reported working weekends and evenings to try and make money to pay their bills and avoid having to use child care.
- Families need backup care for children when they are sick or when the babysitter becomes unavailable without notice.
- Finding before/after school care was reported as a major problem for many families. Parents would like schools to develop ways to help parents with children with the hours between 7:00 AM to 6:00 PM when school is not in session.
- Families would like to see pre-kindergarten programs for the entire County. There are some available in some communities, but they are not everywhere.
- Owning a home is very important to some people, and that expense becomes an obstacle to affording child care. Some people were working two full-time jobs to keep their house and using grandparents to watch the children.
- It would be helpful if more employers offered on-site child care. On-site emergency care would also help many parents. Participants suggested that offering tax breaks to companies for offering these services may encourage more companies to offer them.

#### Families' experiences with child care subsidies

- The cost of living is so high in Westchester County that parents considered gross income, alone, as an unrealistic basis for determining eligibility for a subsidy. When the cost of rent, utilities, health care, food, and other necessities are added up, even people earning more than \$75,000 gross had difficulty paying for child care. Rent of \$1,600 per month is not uncommon; that coupled with \$1,200 for health insurance doesn't leave much for other needs (less than \$42,000 gross).
- Participants felt that a formula is needed to determine eligibility based on disposable income (after taxes), which takes into consideration other basic needs for survival.
- The process to apply for subsidies was reported, in various ways, as being very negative by many parents. In all, 19 parents (29 percent of the 66) made negative comments. There were many stories of DSS case managers not being respectful, giving conflicting information, and seeming to be more invested in catching people perpetrating fraud rather than helping them get help. The hours DSS is open often were not convenient for parents who work.
- The forms for subsidy application were reported as overwhelming and too complicated; parents did not feel there was help to support them in completing them accurately.
- Parents reported that the delay between being determined eligible for subsidies and actually getting payment to the child care program can take months. Child care is too expensive to afford while waiting for DSS payments.
- Numerous participants mentioned the challenge of not having subsidies available to help them look for a job, as an impediment to getting work.

#### Suggestions to improve child care programs

- Parents reported waiting lists as long as 1½ years for the quality child care centers.

- Parents also thought it may be helpful for businesses to receive incentives to provide child care assistance directly to employees, but only for quality providers.
- Parents felt strongly that a more effective monitoring system is needed for child care providers and that information is needed to help parents select a high quality program. Evaluation criteria could be established and published so that parents have comparative information when looking for child care. A ranking system or report card would help parents select quality care. Parents felt it may be beneficial for the Department of Education to develop better interaction between child care centers and kindergartens.
- Parents also felt it may be helpful to develop incentives for the providers to improve quality and expand availability.
- To appeal to parents, programs need to be physically attractive and have appropriate equipment that is in good working condition. Toys should be in good condition and should be reasonably new.

#### Perceptions of the quality of child care

- Many parents perceived that the quality of many center and family home programs is very poor.
- The location of many centers does not match where parents live or work; they are inconvenient. Parents without cars are at an added disadvantage and cannot access programs that are not convenient to bus routes.
- The hours the programs are open often do not match work schedules and/or commuting schedules. Even when parents could afford care, if the programs were not open when they needed them or were not conveniently located, they didn't have options that meet their needs.
- Parents were aware that teachers in the centers are paid so little that there is high turnover; they see how this affects their children and the communications between parents and teachers.
- Many parents reported the perception that the quality of teachers seems to be going down and that is it particularly hard to find care for infants.
- Numerous parents reported visiting programs that appeared dirty and dark. Parents reported witnessing staff screaming at each other or at children while a parent was taking a tour, which made the parents feel uncomfortable leaving their children there.
- Parents felt that programs needed to do more advertising. Parents often didn't know where to look.
- Parents wanted centers to be more than just a place to drop children off.
- Parents wanted programs to be clean, safe, have a good director, have good teachers, have low staff turnover and have educational offerings.

Participants' perceptions of why people are not applying for child care subsidies

- Many parents felt that people do not know about the child care subsidies. It would be helpful to have better marketing and information at places like pediatrician offices, grocery stores, libraries, and public schools.
- The perception was that the application has too much paperwork and is too difficult to complete.
- Some parents consider it a stigma to go to DSS; people don't want to tell everyone about all of their finances
- Parents who have applied for subsidies felt it would be helpful to have a person outside of DSS who is designated to help answer questions and assist with the application process.

**Best Practices in Child Care Subsidy Implementation**

A number of studies have identified trends in subsidy programs and marketing across the country. The research team compiled these trends to assist leaders in Westchester County as they evaluate local subsidy use and develop appropriate strategies to increase child care subsidy use. *The following statements reflect national trends and are not specific to Westchester County.*

General demographic trends

Nationally, fewer than 25 percent of eligible families use child care subsidies.<sup>12</sup> Families with children birth to 5 years old are more likely to use subsidies than families with children age 6 and over. In addition:

- Families who currently receive cash assistance are more likely to receive child care subsidies than those who never received cash assistance.<sup>13</sup>
- Children living in single-parent families and those with mothers working full time are more likely to receive subsidies.<sup>14</sup>
- Families who are from immigrant communities and do not speak English fluently are less likely to apply for subsidies.

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<sup>12</sup> Fuller, B., Kagan, S. L., Caspary, G. L. & Gauthier, C. A. (2002). Welfare reform and the child care options for low-income families. *The Future of Children*, 12(1), 97-119. Available: [www.futureofchildren.org/usr\\_doc/4-fuller.pdf](http://www.futureofchildren.org/usr_doc/4-fuller.pdf)

<sup>13</sup> Lawrence, S., & Kreader, J. L. (2005). Predictors of child care subsidy use. *Child care and Early Education Research Connections*. New York: National Center for Children in Poverty. Available: <http://www.nccp.org/media/CCSresbrief.pdf>

<sup>14</sup> Carroll, J. (2001). How to pay for child care? Local innovations help working families. Berkeley, CA: Policy Analysis for California Education. Available: [http://pace.berkeley.edu/policy\\_brief.01-1.pdf](http://pace.berkeley.edu/policy_brief.01-1.pdf); Kinukawa, A., Guzman, L., Lippman, L. (2004). National Estimates of Child Care and Subsidy Receipt for Children Ages 0 to 6: What Can We Learn from the National Household Education Survey? Research Brief. Washington, D. C.: Child Trends. Available: [http://www.childtrends.org/Files/NHES\\_Research\\_brief\\_10\\_19\\_04.pdf](http://www.childtrends.org/Files/NHES_Research_brief_10_19_04.pdf); Shlay, A.B., Weinraub, M., Harmon, M., & Tran, H. (2004). Barriers to subsidies: Why low-income families do not use child care subsidies. *Social Science Research*, 33, 134-157.

### Income/Education trends

- These national studies indicated that families with more than a high school education were significantly less likely to receive child care subsidies. Among children living at or below the poverty line, however, a parent who had attended vocational school or some college increased the likelihood of access to subsidies.
- Families who live in lower middle-income neighborhoods where there is a scarcity of child care centers or family child care homes are less likely to apply for subsidies.<sup>15</sup>
- Families with no prior experience with welfare or child care subsidies are less likely to apply. In other words, the most powerful predictor of subsidy use is past enrollment in public assistance (TANF, child care subsidies, etc.).<sup>16</sup>

### Race and subsidy use

Nationally, the percentage of Hispanic children receiving subsidies is significantly lower than that of either blacks or whites. Existing research does not sufficiently address the reason for this trend. Common hypotheses include a greater availability of informal networks; structural barriers, such as language or a lack of familiarity with government agencies; or other factors such as parental preference for relative care.<sup>17</sup> Black, non-Hispanic children are more likely to receive subsidies than white non-Hispanic and Hispanic children.

### Subsidy recipients' choices of child care

Nationwide data indicated that families receiving child care subsidies were equally likely to select home-based care or center-based programs. However, income level affects this choice.

- Children living above the poverty line were more likely to attend center-based care than their peers living in or near poverty, who were more likely to receive home-based care as their primary care arrangement; children living in or near poverty were more likely to receive home-based care from a relative than their peers living above poverty.
- Other research found that as income rises, use of formal child care increases among all ethnic groups.<sup>18</sup>

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<sup>15</sup> Carroll, J. (2001). How to pay for child care? Local innovations help working families. Berkeley, CA: Policy Analysis for California Education. Available: [http://pace.berkeley.edu/policy\\_brief.01-1.pdf](http://pace.berkeley.edu/policy_brief.01-1.pdf)

<sup>16</sup> Blau, D. M., & Tekin, E. (2001). The determinants and consequences of child care subsidies for single mothers. Discussion Paper No. 383. Bonn, Germany: Institute for the Study of Labor. Available: <http://ideas.repec.org/p/iza/izadps/dp383.html>; Shlay, A.B., Weinraub, M., Harmon, M., & Tran, H. (2004). Barriers to subsidies: Why low-income families do not use child care subsidies. *Social Science Research*, 33, 134-157.

<sup>17</sup> Kinukawa, A., Guzman, L., Lippman, L. (2004). National Estimates of Child Care and Subsidy Receipt for Children Ages 0 to 6: What Can We Learn from the National Household Education Survey? Research Brief. Washington, D. C.: Child Trends. Available: [http://www.childtrends.org/Files/NHES\\_Research\\_brief\\_10\\_19\\_04.pdf](http://www.childtrends.org/Files/NHES_Research_brief_10_19_04.pdf)

<sup>18</sup> Hirshberg, D., Derbin, L., Robison, G. (2002). Child care planning project: Descriptive findings from the child care subsidy interview. Policy Analysis for California Education: University of California at Berkeley. Available: [http://pace.berkeley.edu/wp\\_02-2.pdf](http://pace.berkeley.edu/wp_02-2.pdf)



- Among children living in or near poverty, children who received subsidies were more likely to attend center-based programs than their peers who did not receive subsidies.<sup>19</sup>
- Families who receive subsidies are no more likely than families who do not receive subsidies to use more than one care arrangement on a regular basis.<sup>20</sup>

The vast majority (70 percent) of parents in California who received subsidies reported that their child care was from someone they already knew, a friend, neighbor or co-worker. Approximately 15 percent used informal networks through work or their neighborhood, 10 percent found their child care provider with the help of their caseworker, and only 3 percent found care through a resource and referral network.<sup>21</sup>

#### Family misperceptions about subsidies

Families have many misperceptions about subsidy use. Eligible families who do not apply for subsidies are more likely to believe child care subsidies require the use of child care centers and are not aware of the options available through child care vouchers. In addition:

- Families who were eligible for child care subsidies but did not apply for them were less likely to know that receipt of child care subsidies does not apply to the five-year lifetime limit of receiving welfare.<sup>22</sup>
- Many eligible parents believed they did not need or were not eligible for subsidy. Parents who were eligible but did not access subsidies were more likely to underestimate the amount of income that could be earned and still receive a child care subsidy.<sup>23</sup>

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<sup>19</sup> Hirshberg, D., Derbin, L., Robison, G. (2002). Child care planning project: Descriptive findings from the child care subsidy interview. Policy Analysis for California Education: University of California at Berkeley. Available: [http://pace.berkeley.edu/wp\\_02-2.pdf](http://pace.berkeley.edu/wp_02-2.pdf); Kinukawa, A., Guzman, L., Lippman, L. (2004). National Estimates of Child Care and Subsidy Receipt for Children Ages 0 to 6: What Can We Learn from the National Household Education Survey? Research Brief. Washington, D. C.: Child Trends. Available: [http://www.childtrends.org/Files/NHES\\_Research\\_brief\\_10\\_19\\_04.pdf](http://www.childtrends.org/Files/NHES_Research_brief_10_19_04.pdf)

<sup>20</sup> Kinukawa, A., Guzman, L., Lippman, L. (2004). National Estimates of Child Care and Subsidy Receipt for Children Ages 0 to 6: What Can We Learn from the National Household Education Survey? Research Brief. Washington, D. C.: Child Trends. Available: [http://www.childtrends.org/Files/NHES\\_Research\\_brief\\_10\\_19\\_04.pdf](http://www.childtrends.org/Files/NHES_Research_brief_10_19_04.pdf)

<sup>21</sup> Hirshberg, D., Derbin, L., Robison, G. (2002). Child care planning project: Descriptive findings from the child care subsidy interview. Policy Analysis for California Education: University of California at Berkeley. Available: [http://pace.berkeley.edu/wp\\_02-2.pdf](http://pace.berkeley.edu/wp_02-2.pdf)

<sup>22</sup> Carroll, J. (2001). How to pay for child care? Local innovations help working families. Berkeley, CA: Policy Analysis for California Education. Available: [http://pace.berkeley.edu/policy\\_brief.01-1.pdf](http://pace.berkeley.edu/policy_brief.01-1.pdf); Shlay, A.B., Weinraub, M., Harmon, M., & Tran, H. (2004). Barriers to subsidies: Why low-income families do not use child care subsidies. *Social Science Research*, 33, 134-157.

<sup>23</sup> Harmon, M., Tran, H., Weinraub, M., & Shlay, A. B. (2003). Barriers to subsidy: Reasons low income families do not use child care subsidies. Temple University. Available: <http://astro.temple.edu/~mweinrau/Poster2.pdf>; Shlay, A.B., Weinraub, M., Harmon, M., & Tran, H. (2004). Barriers to subsidies: Why low-income families do not use child care subsidies. *Social Science Research*, 33, 134-157.

### Barriers to applying for subsidies

A vexing problem for subsidy administrators is figuring out why families who are eligible for subsidies choose not to apply for them. Research into the barriers to subsidy application has found:

- The anticipated hassle of applying is one of the greatest barriers to application. Parents report problems and restrictions, both real and perceived, associated with accessing the subsidy system, such as:
  - Families across multiple studies have reported the perception that subsidies require the use of center-based care.<sup>24</sup>
  - Families commonly assume they would no longer be able to use their current provider, and also are unlikely to know that subsidies can pay for unregulated child care arrangements.<sup>25</sup>
  - Families who are already using Head Start or another subsidized child care program often assume this enrollment precludes them from subsidy eligibility.<sup>26</sup>
- Previous bad experience with public assistance or government agencies significantly decreases the likelihood of subsidy application.
- Parents cite concerns that their child will be treated differently if they were known to receive subsidies.
- In a number of states that require a court ordered child support arrangement with the other biological parent, a notable proportion (an average of 13%) of eligible parents cite an unwillingness to pursue child support. This was true even in states that had fairly liberal policies that would exempt a parent from pursuing child support.<sup>27</sup>
- Even among families receiving subsidies, the majority were confused about subsidy regulations.<sup>28</sup>

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<sup>24</sup> Carroll, J. (2001). How to pay for child care? Local innovations help working families. Berkeley, CA: Policy Analysis for California Education. Available: [http://pace.berkeley.edu/policy\\_brief.01-1.pdf](http://pace.berkeley.edu/policy_brief.01-1.pdf); Harmon, M., Tran, H., Weintraub, M., & Shlay, A. B. (2003). Barriers to subsidy: Reasons low income families do not use child care subsidies. Temple University. Available: <http://astro.temple.edu/~mweinrau/Poster2.pdf>

<sup>25</sup> Harmon, M., Tran, H., Weintraub, M., & Shlay, A. B. (2003). Barriers to subsidy: Reasons low income families do not use child care subsidies. Temple University. Available: <http://astro.temple.edu/~mweinrau/Poster2.pdf>

<sup>26</sup> Carroll, J. (2001). How to pay for child care? Local innovations help working families. Berkeley, CA: Policy Analysis for California Education. Available: [http://pace.berkeley.edu/policy\\_brief.01-1.pdf](http://pace.berkeley.edu/policy_brief.01-1.pdf)

<sup>27</sup> Harmon, M., Tran, H., Weintraub, M., & Shlay, A. B. (2003). Barriers to subsidy: Reasons low income families do not use child care subsidies. Temple University. Available: <http://astro.temple.edu/~mweinrau/Poster2.pdf>

<sup>28</sup> Shlay, A.B., Weintraub, M., Harmon, M., & Tran, H. (2004). Barriers to subsidies: Why low-income families do not use child care subsidies. *Social Science Research*, 33, 134-157.

### Successful Strategies to Increase Subsidy Use

As previous receipt of public assistance is the single biggest predictor of who will access child care subsidies,<sup>29</sup> it is helpful to think of solutions for recruiting new subsidy recipients in two categories: encouraging current recipients of public assistance to access child care subsidies, and recruiting parents who have never received public assistance but are eligible for child care subsidies. General recommendations that are applicable for both populations are provided below, and targeted strategies for families who are already using other public assistance are also outlined.

Rhode Island instituted a package of reforms that had a significant impact on subsidy use and family choice of child care setting. The RI experience is helpful for Westchester County to consider, as both areas are in the unique position of wanting to actively recruit families to access subsidies. With the advent of Welfare Reform, Rhode Island made child care subsidies an entitlement for all families who met income guidelines. Reforms were instituted between 1998 and 2003; the impact of these reforms was quantified in 2004. The reforms included:

- (1) expansion of both income-eligibility and age-eligibility for child care subsidies (eligibility expanded in January 1999 and July 1999),
- (2) increased reimbursement rates for formal providers (rates were increased four times between January 1999 and January 2002),
- (3) implementation of a Comprehensive Child Care Services program,
- (4) more strictly enforcing requirements for informal providers,
- (5) separation of eligibility determination for child care subsidies from enrollment with a provider, and
- (6) establishment of portable vouchers.

One of the significant findings from the combination of these reforms was the dramatic increase in the number of families who selected formal, regulated child care programs for their children, rather than informal care.<sup>30</sup> Families increased use of formal over informal care by 75 percent. By simplifying the administrative process for providers and increasing reimbursement rates, the number of formal providers willing to accept children with child care subsidies increased to 87 percent of the market. Additionally, child care providers actively recruited families who may not have used child care subsidies in the past, becoming the most likely source of information on subsidies among new subsidy recipients who had never received cash assistance.<sup>31</sup>

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<sup>29</sup> Blau, D. M., & Tekin, E. (2001). The determinants and consequences of child care subsidies for single mothers. Discussion Paper No. 383. Bonn, Germany: Institute for the Study of Labor. Available: <http://ideas.repec.org/p/iza/izadps/dp383.html>

<sup>30</sup> Witte, A. & M. Queralt (2002). Evaluation of Rhode Island's Starting Right Program: May 1996 – April 2001. Wellesley Child Care Research Partnership. Wellesley, MA: Wellesley College Department of Economics and National Bureau of Economic Research.

<sup>31</sup> Witte, A.D., Queralt, M., & Long, H. (2004). An Examination of the Child Care Choices of Low-Incomes Families Receiving Child Care Subsidies. Wellesley, MA: Wellesley College Department of Economics and National Bureau of Economic Research, Wellesley Child Care Research Partnership. Available: [http://www.wellesley.edu/Economics/partner/Child%20Care%20Choices4\\_02.pdf](http://www.wellesley.edu/Economics/partner/Child%20Care%20Choices4_02.pdf)

In addition to this package of RI reforms, other specific activities have also been proven to impact subsidy usage:

- *Increase the number of providers who accept child care subsidies:* Expanding the number of child care options families have as they seek a provider who will accept child care subsidies means that more families will use child care subsidies.<sup>32</sup> This strategy works for at least two reasons: families have access to more options as they seek a child care choice, and the burden of getting a provider qualified does not fall on the shoulders of parents (a time when many applicants cease their application because this additional burden is cumbersome).<sup>33</sup> This outcome of increasing the number of providers who accept subsidy can be accomplished through the next recommendation.
- *Ensure adequate reimbursement rates and reasonable parent fees:* When reimbursement rates are not adequate to match actual costs, programs must offer only a limited number of subsidized slots and/or cut back on quality. Additionally, when parents cannot afford the co-payments required by the state, child care subsidies become useless as a way of assisting families with child care costs. In many places, informal care is less expensive than the co-payments required by the state. Some experts recommend the elimination of co-payments for families up to 200 percent of the federal poverty level, citing documentation that on such a limited income any co-payment requires families to cut other basic living costs.<sup>34</sup>
- *Simplify the application process:* Eligible parents will not apply if the process is not simplified; this is both a perceived and a real barrier. Many parents eligible for subsidies jeopardize their employment by taking a day or more off work as is required to complete all of the paperwork and the follow-up processes.<sup>35</sup> Publicizing what paperwork is needed to access subsidies, making the application process simple and straightforward, and requiring reasonable and straightforward re-application requirements all increase subsidy use. Streamline the subsidy approval process so that minimal face-to-face meetings are required, streamline the re-approval process

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<sup>32</sup> Witte, A.D., Queralt, M., & Long, H. (2004). An Examination of the Child Care Choices of Low-Incomes Families Receiving Child Care Subsidies. Wellesley, MA: Wellesley College Department of Economics and National Bureau of Economic Research, Wellesley Child Care Research Partnership. Available: [http://www.wellesley.edu/Economics/partner/Child%20Care%20Choices4\\_02.pdf](http://www.wellesley.edu/Economics/partner/Child%20Care%20Choices4_02.pdf)

<sup>33</sup> Carroll, J. (2001). How to pay for child care? Local innovations help working families. Berkeley, CA: Policy Analysis for California Education. Available: [http://pace.berkeley.edu/policy\\_brief.01-1.pdf](http://pace.berkeley.edu/policy_brief.01-1.pdf); Witte, A.D., Queralt, M., & Long, H. (2004). An Examination of the Child Care Choices of Low-Incomes Families Receiving Child Care Subsidies. Wellesley, MA: Wellesley College Department of Economics and National Bureau of Economic Research, Wellesley Child Care Research Partnership. Available: [http://www.wellesley.edu/Economics/partner/Child%20Care%20Choices4\\_02.pdf](http://www.wellesley.edu/Economics/partner/Child%20Care%20Choices4_02.pdf)

<sup>34</sup> Carroll, J. (2001). How to pay for child care? Local innovations help working families. Berkeley, CA: Policy Analysis for California Education. Available: [http://pace.berkeley.edu/policy\\_brief.01-1.pdf](http://pace.berkeley.edu/policy_brief.01-1.pdf)

<sup>35</sup> Harmon, M., Tran, H., Weintraub, M., & Shlay, A. B. (2003). Barriers to subsidy: Reasons low income families do not use child care subsidies. Temple University. Available: <http://astro.temple.edu/~mweinrau/Poster2.pdf>

- to better meet the needs of low-income workers (e.g., allow documents to be mailed, faxed, etc).
- *Use innovative outreach methods:* Families who are concerned about entering the welfare bureaucracy, do not trust governments services, and/or have misperceptions about their eligibility or the program are less likely to hear message that come from the very office they intuitively do not trust. Developing partnerships with community-based organizations, such as faith communities, organizations that serve low-income communities, organizations that serve immigrant and/or non-English speaking communities, and child care resource and referral agencies, are all proven strategies to increase child care subsidy use. Additionally, some communities have successfully employed outreach workers (often former child care subsidy or TANF recipients) to speak at community events, educate workers in community-based organizations, and literally knock on doors to recruit new subsidy recipients.<sup>36</sup> Better methods for disseminating information about subsidy eligibility and reduced barriers associated with specific subsidy regulations have increased subsidy use in multiple states.<sup>37</sup> Specific messages should include consistent information about the eligibility requirements and the fact that child care subsidies are available for many different types of child care. As the biggest predictor of child care subsidy is receipt of other public assistance, it is also important to reach out to families that are not accessing other public assistance.
  - *Review caseloads frequently:* In California, local caseworkers for child care subsidy and other forms of public assistance review their caseloads monthly. This frequent review identifies families who inadvertently dropped out of a program and families who would qualify for but did not specifically ask for child care assistance. These reviews also reduce the amount of time a child is off subsidies (thereby decreasing potentially disruptive changes in caregivers), provide more continuity to families, reduce the amount of time parents must take off work to re-qualify for subsidies, and support parents in maintaining consistent employment.
  - *Co-locate child care or R&R staff at DSS offices:* In counties where staff from multiple organizations are co-located at the same place, such as child care resource and referral staff being located at DSS offices, the use of child care subsidies increases. While completing paperwork is a critical part of subsidy use, the process of securing child care can be equally if not more daunting. Immediate availability of a professional who can assist in maneuvering through the often confusing array of child care choices can be critical to successfully accessing both quality child care and

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<sup>36</sup> Carroll, J. (2001). How to pay for child care? Local innovations help working families. Berkeley, CA: Policy Analysis for California Education. Available: [http://pace.berkeley.edu/policy\\_brief.01-1.pdf](http://pace.berkeley.edu/policy_brief.01-1.pdf)

<sup>37</sup> Shlay, A.B., Weinraub, M., Harmon, M., & Tran, H. (2004). Barriers to subsidies: Why low-income families do not use child care subsidies. *Social Science Research*, 33, 134-157.

child care subsidy. In an effort to augment the important role played by the R&R staff person who was co-located at DSS offices, the San Francisco DSS office developed a video of women who had received child care subsidies. These consumers of subsidy outlined the subsidy application process, child care options, and the impact subsidies had on their ability to get into the workforce (and in some cases move off public assistance). This video ensures a consistent message for orientation to child care support, accommodates different literacy levels, and addresses language differences (the video is in English, Spanish and Chinese).<sup>38</sup>

- *Co-locate DSS staff at community locations:* Families who are skeptical of the entities that provide public assistance will be less likely to go to a public office. By co-locating DSS staff at organizations that families already trust and frequent, more families may be willing to learn about subsidies and complete the application process. At the very least, provision of resources and training for staff that interact with large numbers of families eligible for subsidies can help build a bridge of trust between DSS and eligible families, which encourages them to use the subsidy support.
- *Cross-train DSS staff:* Families who are eligible for child care subsidies enter the system from many different places; it is crucial that all case management staff, regardless of the program they work in, are well-versed in the availability of child care subsidies and the application process.
- *Develop regular dialogues between child care leaders and caseworkers:* Caseworkers and child care providers are ideally working toward the same goal, but rarely have the opportunity to interact with each other and share their experiences and challenges. Interactions between these professionals who directly interact with families help develop innovative solutions to the challenges all sectors face, and also increase sensitivity toward families. Parents can also be involved in these sessions to share their fears of placing their child with a stranger and the confusion they feel as they maneuver through the subsidy and child care systems.<sup>39</sup>

In addition to the above, *individuals who are already receiving some form of public assistance should be proactively encouraged to use child care subsidies:* Interactions with caseworkers have proven critical to informing people of the availability of subsidies and successfully enrolling them for the support. Research has shown a direct relationship between parents' use of subsidies and these key aspects of the subsidy experience:

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<sup>38</sup> Carroll, J. (2001). How to pay for child care? Local innovations help working families. Berkeley, CA: Policy Analysis for California Education. Available: [http://pace.berkeley.edu/policy\\_brief.01-1-1.pdf](http://pace.berkeley.edu/policy_brief.01-1-1.pdf)

<sup>39</sup> Carroll, J. (2001). How to pay for child care? Local innovations help working families. Berkeley, CA: Policy Analysis for California Education. Available: [http://pace.berkeley.edu/policy\\_brief.01-1-1.pdf](http://pace.berkeley.edu/policy_brief.01-1-1.pdf)

- The degree to which their caseworker was helpful, knowledgeable, and followed up in a timely manner to help enroll parents in subsidy support increased subsidy usage. Families were less likely to use subsidies when they had to wait long periods of time for eligibility determination, or when they reported that caseworkers were disrespectful or inaccurate, lost paperwork, or did not follow up in a timely manner.
- The number of times a parent is required to have face-to-face meetings with caseworkers to apply for subsidies, sustain subsidy support or get their provider approved also impacts usage. The more complicated the application or re-application process and the more steps involved, the more subsidy use decreases.
- Additionally, when families had to interact with multiple agencies to access multiple types of support (e.g., cash assistance and child care subsidies handled by two different offices, which each required paperwork and an independent qualification process), subsidy use decreased. While some communities allow families to supply required information by phone, fax or mail, others require all information to occur through face-to-face appointments. With the challenge of caseworkers who manage growing caseloads (often resulting in long waits at offices while fewer people provide service to more subsidy recipients), limited flexibility in the work schedule of low-income workers, and transportation challenges, multiple face-to-face interactions decreases subsidy usage.
- On a related issue, the degree to which DSS offices offer additional locations (beyond just DSS offices) and the degree to which office hours extended beyond the typical work day affect subsidy use. Parents report challenges asking for time off and a lack of leave, so time spent applying for subsidies resulted in lost wages (compounded when multiple trips to the DSS office are required, causing people to not access support so they do not lose their job), and how missing work reflected upon job skills and performance.
- DSS offices that focus on efficiency and customer service typically have higher satisfaction rates reported by families who accessed child care subsidies; this was consistent across offices that had widely varying resources and staff training.<sup>40</sup>

### **Best Practices in Child Care Program Management**

In the surveys of directors of preschools and child care centers and family child care business owners (see page 18 for results), respondents identified concerns about many of the managerial aspects of their role; the financial, human resource, and organizational aspects of running their businesses. Most of the child care centers and preschools who participated in the survey were non-profit businesses (76%), whereas all of the family child care businesses

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<sup>40</sup> Adams, G., Snyder, K., & Sandfort, J. R. (2002). Navigating the child care subsidy system: Policies and practices that affect access and retention. Washington D.C.: Urban Institute. Available: <http://www.urban.org/UploadedPDF/310450.pdf>

are micro-enterprise, in-home businesses. Despite these differences, the programs share many concerns.

These concerns are identified below, with supportive data from the survey of child care center directors (CCC) and family child care business owners (FCC), where applicable. Following each area of concern are best practices in management<sup>41</sup> that could ameliorate that area of concern if these practices are fully implemented.

### Financial Concerns

*Identified as a Major Concern by Survey Respondents:*

- Finding money for program/facility (CCC-48%; FCC-36%)
- Offering competitive wages (CCC-39%; FCC-37%<sup>42</sup>)
- Enrolling enough children to be at full capacity (CCC-37%; FCC-33%)

*Identified as Some Concern by Survey Respondents:*

- Finding money for program/facility (CCC-81%; FCC-70%)
- Offering competitive wages (CCC-80%; FCC-73%)
- Enrolling enough children to be at full capacity (CCC-77%; FCC-69%)
- Finding money for staff training (CCC-65%; FCC-n/a)
- Meeting basic expenses (CCC-54%; FCC-62%)
- Getting DSS subsidy payments in a timely manner (CCC-48%; FCC-52%)
- Reconciling subsidy payments (CCC-41%; FCC-52%)
- Budgeting and accounting assistance (CCC-40%; FCC-52%<sup>43</sup>)

The fiscal soundness of a business, whether it is for-profit or not-for-profit, rests on two foundations: (1) excellent and continuously updated business planning and (2) financial

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<sup>41</sup> We examined six primary sources for best practices in Child Care Management, looking for agreement, or consistent trends, across these sources, some of which were specific to child care and some of which were more general, for small businesses of any kind. These sources were:

- NAEYC Program Standards and the associated Accreditation Criteria – the national “gold standard” for child care management practices, as well as other aspects of early education programs, newly revised
- Evaluation Criteria for Child Care Facility Capital Fund applications – the source of the strictest fiscal accountability
- Child Care Director Credential criteria – part of states’ efforts to raise the bar of quality above licensing requirements
- A business planning curriculum for family child care, *Developing Your Family Child Care Business*, which goes beyond teaching simple bookkeeping, to teach business planning and entrepreneurial thinking
- Community Standards – one way that stakeholders in local communities are raising the bar of quality about state standards
- Advice from the U.S. Small Business Administration (SBA) and Small Business Development Centers – the source of acknowledged standard practices in small businesses of all kinds – especially on the components of business planning.

<sup>42</sup> The language on this item for the family child care survey was “being adequately compensated for work.”

<sup>43</sup> The language on this item for the family child care survey was “business management.”



policies and the procedures to implement those policies, all of which are in alignment with generally accepted business and accounting practices.

Business planning. The ability to make a persuasive case for the viability of any business is, ideally, a first step before opening the doors, but can be completed at any point in the life of a business. Ongoing updating of that case maintains viability after the business is up and running. This persuasive case should include, at minimum:

- A clearly identified customer
- Objective data on the customer's needs and desires, showing evidence of demand for the services, such as that obtained through a market study or market analysis.
- A clear description of the product or service, including its features and benefits.
- Multi-year financial projections, including cash flow projections.
- Plans for marketing the business through advertising and networking to achieve projected enrollment and meet budget projections.

The survey of Westchester County family child care business owners did not ask about business planning because it is known to be so rare among early childhood programs. The survey of child care centers determined that only 23 percent had, within the preceding 12 months, defined their targeted customer. Only 17 percent had defined their target market, 31 percent had a description of the features and benefits of their products/services, 25 percent had five-year financial projections, and 41 percent had marketing plans. The survey did not provide any specifics about the quality or effectiveness of the information or plans.

Financial policies and procedures. No business can be fiscally sound without the development of sound financial policies and operational procedures that ensure the implementation of these policies. These policies and procedures should include, at minimum:

- the preparation of annual operating budgets
- a financial accounting system that is capable of frequent and reliable reports on the organization's financial status, and
- a yearly audit of accounting records.

While our surveys did not ask about all of these policies and procedures, just 58 percent of centers reported developing budget projections within the last 12 months.

### Human Resource Concerns

*Identified as a Major Concern by Survey Respondents:*

- Finding and keeping qualified staff (CCC-42%; FCC-n/a)
- Recruiting/screening/hiring qualified staff (CCC-41%; FCC-n/a)

*Identified as Some Concern by Survey Respondents:*

- Recruiting/screening/hiring qualified staff (CCC-82%; FCC-n/a)
- Finding and keeping qualified staff (CCC-76%; FCC-n/a)
- Finding temporary staff/substitutes (CCC-71%; FCC-52%)
- Staff may need more training in child development (CCC-70%; FCC-n/a)
- Finding quality training for staff (CCC-58%; 49%)

Best practices for human resource (HR) management include: (1) policies, procedures and systems that support stable staff and (2) strong personnel management. Generally, HR policies should:

- detail expectations for staff responsibilities
- describe schedules,
- allow for paid planning time,
- specify expectations for continuing professional development, and
- emphasize teamwork and community partnerships.

Excellence in personnel management is assured by a management team that includes expertise in employee supervision, and by a plan for recruiting and retaining enough qualified staff to support an optimal staffing pattern.

Stable staff. Only 34 percent of the respondents to the child care center survey had, in the past 12 months, defined a plan for an ideal leadership and staffing pattern. National data indicate that staff stability strongly correlates to higher levels of education among the teaching staff<sup>44</sup> and about 42 percent of teaching staff in Westchester County reported holding a Bachelor or graduate level degree.<sup>45</sup> This unexpectedly high proportion of teaching staff with college degrees may be attributable to the fact that 51 of the 177 programs that responded were preschools, rather than full-day child care centers. (Nationally, preschools tend to recruit and retain higher proportions of teaching staff with Bachelor or graduate degrees.)

Personnel management. Although the survey did not ask center directors for information about their own education and expertise, the national trend is that directors are hired out of the teaching staff. That is, when the director position turns over, the teacher with the longest

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<sup>44</sup> Bellm, D., et al. (2002). Inside the Pre-K Classroom: A Study of Staffing and Stability in State-Funded Prekindergarten Programs. Washington, DC: Center for the Child Care Workforce. Whitebook, M., Sakai, L., Gerber, E., Howes, C. (2001). Then and Now: Changes in Child Care Staffing, 1994-2000. Washington, DC: Center for the Child Care Workforce. Whitebook, M., and Sakai, L. (2004). By a Thread: How Child Care Centers Hold On to Teachers, How Teachers Build Lasting Careers. Kalamazoo, MI: W. E. Upjohn Institute for Employment Research.

<sup>45</sup> Combining data from all 165 responding programs, about 40 members (2%) of the 2,200 teaching staff had less than a high school diploma, about 440 (20%) members of the teaching staff hold only a high school diploma or GED, almost 500 (23%) have completed some college coursework, just over 300 (14%) have completed an Associate degree (2-year), about 570 (26%) hold a Bachelor degree (4-year), and about 350 (16%) hold a graduate degree.

tenure and/or best ability to meet the state's licensing standards for a director becomes the next director. Rarely does this individual have any education or experience in human resource management (or any other aspects of management and administration).<sup>46</sup>

The survey did ask directors about their functions and 85 percent were responsible for recruiting new staff. Seventy-six percent were responsible for training and orienting new staff and 78 percent were responsible for supervising classroom teachers. Where these responsibilities were not, or not solely, the director's, they were typically delegated to or shared with another staff member, rather than an outside contractor.

### Organizational Concerns

*No major concerns identified by respondents*

*Identified as some concern by respondents:*

- Collecting parent fees in full and on time (CCC-65%; FCC-47%)
- Offering health benefits (CCC-57%; FCC-70%)
- Offering retirement benefits (CCC-52%; FCC-78%)
- Meeting accreditation requirements (CCC-48%; FCC-50%)
- Meeting state licensing requirements (CCC-43%; FCC-47%)

Best practices in organizational management begin with excellence in governance and leadership. Additional best practices in organizational management include strong program management, program accountability and positive community relations.

Governance. Each program should be guided by a well-articulated mission and philosophy of

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<sup>46</sup> A total of 401 directors from 21 states and the District of Columbia were surveyed to learn more about their transition to becoming directors. Directors in the sample overwhelmingly said they were not prepared or only somewhat prepared for current job when they became directors (73%). When asked what support would have been most helpful during the first three months of work, they said:

- Being mentored by an experienced director (35%)
- More on the job experience in management or supervision (31%)
- More formal coursework in early childhood program administration (29%)
- More thorough orientation to the position (25%)
- More formal coursework in child development/early childhood education (8%)

A significant relationship existed between directors who said they were prepared for their role and the amount of formal coursework they had in program administration. Directors who stated they were prepared had completed 15 semester hours of specialized coursework in administration; their peers who did not feel prepared had completed 8 semester hours. A number of studies identified the most effective strategies for making the transition to director as transition planning, job socialization, and on the job training such as job shadowing, mentoring and job sharing.

References for note vi: McCormick Tribune Center for Early Childhood Leadership (2005). Leadership transitions: What do directors experience? Wheeling, IL: National-Louis University. Available:

<http://cecl.nl.edu/research/issues/rnf03.pdf>. Huston, M. (2002). Journey from Teacher to Program Director. System for Adult Basic Education Support: Field Notes. Vol. 11, No. 3. Available:

<http://www.sabes.org/resources/fieldnotes/vol11/f13huston.htm>. McCormick Tribune Center for Early Childhood Leadership (2005). Leadership transitions: What do directors experience? Wheeling, IL: National-Louis University. Available: <http://cecl.nl.edu/research/issues/rnf03.pdf>

program excellence and by an appropriately-structured governing body or ownership structure. The surveys did not ask questions related to governance or ownership models, but only 20 percent of child care centers had developed or updated their mission statement within the past 12 months. Thirty-eight percent had developed or updated plans for growth but only 20 percent had a current exit or transition strategy. (These business planning practices were not explored on the family child care survey, because they are so rare among these businesses.)

Leadership. The director should function as the sustainer of a compelling vision and be capable of mobilizing internal and external support on behalf of that vision. Also, the program administrator should respond proactively to changing conditions to enhance program quality and ensure its continuing success. That is, the director should act on foreknowledge and best predictions of impending changes and prepare new policies, procedures or programs prior to the change in the landscape.

We found indicators of proactive leadership in answers to several questions on the child care center survey, but that kind of leadership is not indicated. Just 3 percent of directors reported having consulted with county or municipal planning offices during the preceding 12 months. Over the past decade, Head Start and publicly-funded pre-kindergarten have become significant opportunities for partnerships that bring additional resources into child care centers. Only 11 percent of Westchester County programs reported partnerships with Head Start and just 5 percent reported partnerships that enabled them to receive state pre-kindergarten funding. Fewer than 25 percent of programs received outside funding from any public or private source, including United Way.

Program management, program accountability, community relations. The management team must include expertise in early education and early childhood development and clear policies and procedures that ensure high quality care and education and family involvement. These policies and procedures for program delivery should be backed up by some mechanism for ultimate accountability, such as an annual comprehensive evaluation of programs and services, and include input from community members outside the program staff, especially parents. The child care center and family child care surveys did not gather data that related to these practices.

### Innovative Ideas

In addition to these well-accepted best practices in management of child care centers and family child care homes, we have identified several innovative practices that are at the emerging edge of the field. Perhaps not in use at all, or not widely, these practices could be those that take management of child care to its next level of excellence. In another 10 or 20 years, they could be defined as best practices. These emerging practices include:

Co-Employment. The Wisconsin Regional Training Partnership (WRTP) offers its client employers a full range of human resource management services, including access to

affordable health insurance. WRTP surveyed the state's child care centers in 2005 and found widespread "definite" to possible interest in "package human resource management services and affordable health insurance."

*Other Economies of Scale.* A recent briefing paper from the Smart Start National Technical Assistance Center suggested that "common approaches to customers through shared technology and new strategic alliances" may be more effective than "plotting new strategies to compete." Using examples from the banking and hotel industries, the authors suggested coordinated services for marketing, child enrollment, billing and fee collection, financial aid coordination, food preparation and distribution, transportation, payroll and other administrative services, and shared purchasing networks. They also suggested the possibility of forming cooperatives, similar to those in farming, or creating new approaches to franchises or "chains" that allow programs autonomies but achieve "some stability and economies of scale."

## **Key Stakeholder Interviews Summary**

### Research Methods Overview

The research team completed 26 telephone interviews with individuals who hold roles of significant impact in the Westchester County child care system. The interviewees included:

- 11 directors of child care, preschool and Head Start programs
- Three owners of licensed group homes
- One family child care provider, and
- 11 community leaders, individuals of influence from the Westchester County Department of Social Services, child care-infrastructure organizations, social service organizations, and leaders from organizations with significant influence in the business and economic development sectors or in local government.

All those representing the child care industry answered the same set of questions (see Attachment G). Others responded to questions tailored to their roles, as they related to child care or child care subsidy. These questions are also in Attachment G attached. The answers below are an edited compilation of responses, which preserve the anonymity of the respondents.

*Child Care Respondents.* All the representatives of the child care industry had long tenures in the field, most between 15 and 35 years. Many of these child care industry respondents also hold or have held volunteer leadership roles, providing professional service in formal organizations like the Association for the Education of Young Children (AEYC) or in informal coalitions of professionals.

Most of the center directors worked at programs that have been operating for many years too; they proudly stated their founding years, as many as 100 or more years ago, others 20 or 30 years ago. The family child care business owners had been operating for many years as unlicensed facilities, becoming licensed 15 to 20 years ago.

Most of the centers directors interviews were from full-day child care programs serving infants through school-age children, although one exclusively served school-age children and one was exclusively a part-day nursery school. The programs were diverse in size; the number of children served ranged between 70 and almost 2,000 (in 28 locations). Most served between 100 and 200 children.

Community Leaders. These respondents brought perspectives from outside the child care industry. They represented the voice of:

- Government funded social services, including the child care subsidy system
- Private non-profit social-service agencies in the county
- Private sector business
- Child-related public policy and legislative advocacy
- Philanthropy
- Higher education for early childhood
- County government

Despite the wide range of perspectives there was remarkable consistency in the themes raised among all of the interviewees.

### Themes

Financial stability of child care centers. Although one center director stated that “centers are in crisis in Westchester,” and indicated that many centers “are on the brink of closing,” that picture did not emerge as a consistent pattern in these interviews. Four center directors identified financial concerns as among their biggest challenges and a fifth indicated that under-enrollment was somewhat of a challenge. One other participant indicated that the center charges less than actual costs per child because the board wants to ensure that the center remains affordable for parents. However, the other half of the centers covered by these interviews seemed to be financially stable. They are managing to cover their expenses with sources of revenue that include parent tuition payments, child care subsidy funds for subsidized children, and funds raised from foundations and private donors. Other than the one cited above, none of the other directors indicated a sense of crisis or impending crisis.

That said, individuals outside the child care industry were consistent in their observations that it would be beneficial to child care programs to create better business models, to be more flexible about meeting parents real needs, and to improve quality across the board. Most agree that the high cost at most centers does not purchase the quality that children need and families deserve, while making it clear that they understood the conundrum programs faced as they struggled to provide child care in this county where costs of program operation

are extremely high. One stakeholder suggested the development of a management institute for child care to assist program directors in creating more entrepreneurial and streamlined strategies for managing their programs. Another idea was to invest in ongoing “research and development” to inform, among other things, the process of long-term change in the operation of child care programs in the county. Another mentioned the need to develop entrepreneurial thinking in the child care industry and suggested the use of loaned executives from the County’s businesses.

Interviews with child care center directors clearly revealed that few have formal training or experience in market research, financial planning, and cash flow analysis and management. The infrequent mention of management-related strategies as solutions for the challenges they face further clarifies the need for this area of development. Child care center directors’ expressed needs for support are in alignment with this picture, too. The most consistently mentioned need for support (beyond additional funding) was for training in technology, financial management, accounting, and fund development. It seems that, in lieu of a cash bail-out, what centers need is support in developing their capacity for business planning and business management so they are in a better position to operate sustainable businesses over the long haul.

*Teacher salaries, teacher quality and turnover.* The inability to pay teachers even a living wage, let alone professional salaries, was a consistent theme throughout interviews with center directors. Six directors specifically mentioned low staff salaries and how hard it is to recruit quality staff because of them. One director indicated that the center had a high quality staff, and then later stated that the school age child care teachers couldn’t understand the math homework of the 5<sup>th</sup> and 6<sup>th</sup> graders. Some directors mentioned that they lost qualified teachers to public schools or part-day preschools or nursery schools that pay higher salaries. One said, “You can make more working at Starbuck’s.” Others talked about how they are or used to be nationally accredited but would not be able to renew that status under the new criteria, which require more teachers with college degrees.

Several stakeholders outside the child care industry also mentioned the need for higher salaries and referred to a 2002 bill in the County Legislature for a Living Wage for child care personnel, which was researched but not passed because of the projected costs associated with it.

*Child care subsidy program.* Child care center directors and owners of family child care homes and group homes were unanimous in two perspectives about the DSS child care subsidy program. First, they perceive that there have been improvements in recent years: higher reimbursement rates and lower family co-pays, and more rapid eligibility determinations are starting to be the norm. Stakeholders outside the industry agree with this view. Second, child care insiders all agree that which case manager is assigned to a family determines the experience of both child care programs and parents.

Case managers are seen as highly variable in the ways they implement program policy and procedure. Directors reported times when some did not send letters or return phone calls in a timely manner, made errors in eligibility determinations, gave incorrect information, and treated parents disrespectfully. Directors shared several stories of parents being denied eligibility for one missing signature or one missing piece of documentation, when, they thought, a quick phone call to them, as the child care provider, could have solved the problem. On the other hand, directors said, many case managers, especially those who've been in their positions for some time, are excellent to work with: responsive, respectful, and supportive of parents' efforts to meet the application expectations. One director is systematically documenting the performance of the case managers assigned to families served at that center and sees the variability in quality of service delivered by these staff. As another director stated it, "some [case managers] are on top of their job and some are not." Another said that success on the child care provider's side of the interaction depended upon "finding the right people within the system."

A consistent perspective both inside and outside the child care industry was that the state-mandated application for child care subsidy and the state-required supplemental documentation are extremely difficult for families to complete correctly without a large amount of assistance. Directors of child care centers and owners of family child care businesses and group homes were consistent in their request to be more involved in the application process. Several interviewees told stories of parents being denied eligibility or recertification for a simple error that would have been easy to correct, especially with the help of the child care provider. If a parent is determined ineligible for subsidy, the child care program typically loses the funding for the period of time that care was provided while the parent waited for the eligibility determination. The parent cannot afford to pay the program back without DSS support, which causes unnecessary financial stress for the programs and a poor perception of DSS, particularly when the ineligibility was from an avoidable paperwork error. One owner of a group home, who was interviewed in the last week of October, spoke about a parent who submitted her application in August (documented by a return postal receipt). The provider had just learned that the parent was denied because she didn't submit a letter from a new employer, for whom she started working after submitting her August application package. The case manager hadn't sent the child care provider a letter stating that the parent was ineligible. She now wonders what to do about the three months of past-due tuition, which the parent cannot afford to pay.

The perception among many interviewees, from all sectors, is that the highest emphasis among DSS staff is fraud prevention. Child care providers and other community stakeholders would like DSS to find a way to continue being accountable for public dollars, while also guiding eligible families successfully through the application and qualification process. One community-leader stakeholder summed up this opinion well when she said, "DSS [case managers] are charged with using tax payer money well, not with serving parents well."



Another said that “DSS is much more interested in catching people doing wrong than helping them get support.” A center director suggested that case managers, like their supervisors up the line, be taught more about how to solve problems within the regulations, rather than to simply enforce the regulations.

Another consistent set of themes from stakeholders inside the child care industry was about the impacts of the state requirement that those who apply for child care subsidy must sue absent parents for child support. There are some indications that parents who are probably eligible for subsidy and would like to apply are opting out of the system because of this rule. Fears about the results of entering this judicial process have been fed by stories from friends, neighbors and family members. Child care providers reported several such stories in which the legal process resulted in not much more, or even less, child support than the mother had already been getting from the absent, yet cooperative, fathers of their children. The legal process also was reported to have often ruined once positive relationships with the absent father.

Another consistent theme was the negative impact of how the policy of employment verification is perceived to be implemented, especially on day laborers and domestics. Center directors and family child care business owners reported that some of these parents, who do not have one stable work site over a period of weeks, had been denied subsidy because the Bureau of Case Review made only one attempt to verify their employment<sup>47</sup>. When the parent wasn't at the site they reported four weeks earlier, or when they were off-site for an employment-related reason and the BCR employee didn't take the time to get that information, they were considered to be unemployed and immediately dropped from the program, without any further attempts to verify employment.

Also, for the application process, many employers of this type of laborer have been, according to these interviews, reluctant to supply a letter of verification because they don't want to come under any government scrutiny. (They are perceived, for example, to be breaking IRS rules about employment taxes and FICA contributions for their employees and fear having that revealed.) These examples, though anecdotal, illustrate how DSS policy, as formally stated and understood by DSS leadership, varies from the experience of people interacting with the subsidy system. While DSS county leadership feels that the current system of verifying employment is flexible and addresses the issues associated with day laborers well, the experience of families and providers is different.<sup>48</sup>

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<sup>47</sup> DSS policy is to make more than one attempt to verify employment. Every customer has due process rights to challenge these determinations if they are made in error.

<sup>48</sup> DSS leadership noted that they do not hear these complaints from their parent customers, but do hear them from child care provider customers, but without sufficient detail to enable them to address any inappropriate or incorrect actions by their staff.

*Business involvement in child care.* Several child care center directors mentioned the need for businesses to become engaged in solutions for the child care dilemmas in Westchester County. Several stakeholders outside the child care industry also talked about the role of business in child care. One said that the employers “talk a good talk but don’t necessarily implement family-friendly policies.” She believed that parents have workplace barriers to using regulated care. When they need to leave the workplace before their managers want them to, to pick children up from child care, they often get the message, “Why don’t you get a nanny?”

But other county-leader stakeholders indicated that businesses think of child care as a social issue, rather than a business issue. The child care community has not made a “business case” for corporate involvement and business leaders; therefore, they do not understand how child care affects either profitability or the long term development of their future workforce. One stakeholder called for a cogent business case for corporate involvement, data driven and with clear paths for action. Another noted that many Chambers of Commerce place a priority on education as an issue for their attention, and that a connection might be made for them to include early education. Multiple stakeholders noted that “a sales effort” will be required to engage business. Several community-leader stakeholders noted that, within county government and in some corporate settings, there is “tremendous political will” to improve the child care industry; a clear strategy for their engagement is lacking, however. One mentioned that a company in Yonkers has created an earned revenue strategy to provide services that help child care businesses be better businesses.

*Need for systemic solutions.* Although they did not necessarily use this specific language, many stakeholders both inside and outside the child care industry referred to the need for systemic solutions, rather than program-by-program solutions. They mentioned the need for:

- a county-wide strategy sensitive to local imperatives;
- the responsibility of every citizen to meet the needs of young children;
- the need to change paradigms through thoughtful planning and public-private partnerships;
- education about the interrelationships among cost, quality and affordability;
- accountability to standards of quality above licensing;
- county-wide improvements in facilities; and
- development of more efficient and effective business models that will offer the services parents want, and develop more effective management models to decrease the costs of individual programs.

They also consistently suggested systemic intervention strategies, such as:

- quality-improvement initiatives;
- higher training standards for child care center personnel and owners of family child care businesses and the need for a career-ladder system;
- training in business management and technology for center directors;
- the need for those in the child care industry to develop a holistic, collaborative perspective;
- developing strategies to support unregulated or informal caregivers (e.g., grandparents);
- tax strategies (e.g., an occupational tax credit for child care employees), including some to generate revenue earmarked for child care-related concerns;
- a facility improvement fund that makes grants and loans; and
- public education campaigns.

## KEY FINDINGS AS THEY RELATE TO RESEARCH QUESTIONS

Drs. Scott and Thorman analyzed the data from the five surveys, focus groups, stakeholder interviews, demographic data, and best practices. This section details key findings about child care from this analysis, and findings related to the subsidy system follow in the next section. Each finding includes a summary of key data that led to the conclusion stated. Recommendations for action are in the final section of the report.

Overall, in the past decade, the landscape of child care in Westchester County has changed significantly. Parents seem to have grown increasingly sophisticated in their assessment of and demand for quality in child care programs at the same time that costs have risen sharply in response to the rising cost of living in the county. Parents in the focus groups for this research indicated that they have also become more cautious about leaving their children with persons they do not know, in response to media coverage of poor quality child care, using footage from hidden digital cameras.

Choices of care arrangements outside the regulated child care industry, which keep the children at home or with family members, have become the norm rather than the exception. This draining away of customers from programs, designed in a now receding era to serve a larger capacity, is leaving child care centers and family child care business owners struggling financially.

### ***Findings Related to Primary Research Questions***

*Relative to why enrollments in the County's child care services that are licensed and registered by the NYS OCFS (Office of Children and Family Services) are not at the level anticipated:*

**Finding #1. The high cost of child care, in combination with dissatisfaction with the quality of programs, is causing many families to opt out of regulated child care programs.**

Across the board, families in all parts of Westchester County are choosing regulated child care less often than other options. Wealthier families largely opt out of regulated child care by using nannies or family members to care for their children. While middle and lower income families (up to \$100,000 per year) use regulated child care more often than those of higher incomes, the majority choose grandparents or other relatives, also opting out of regulated child care.<sup>49</sup>

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<sup>49</sup> Certainly, there is nothing wrong with what has come to be known as family, friend and neighbor (FFN) care. In fact, it is “an essential component of the early childhood landscape,” according to Ellen Galinsky, President of the Families and Work Institute (FWI). According to FWI’s report, *Sparking Connections, Phase II*, “The majority of children in the United States—including most children living in poverty and most infants and toddlers—are cared for by family or friends...” (p. 1). See the full report at <http://familiesandwork.org/eproducts/sparking-phase2.pdf>.

- Countywide, parents are choosing in-home nannies/babysitters or relatives as their primary form of child care when their children are not with them, particularly for children under age 3 and for children ages 7 and above.
  - 53 percent of families with incomes at or above \$100,000 chose an in-home nanny or babysitter for children under 3 years of age. 53 percent of households with incomes between \$35,000 and \$49,999 and 54 percent between \$75,000 and \$99,999 chose grandparents. In families who earn under \$35,000, an equal number (26 percent) used a child care center, in-home nanny/babysitter, or grandparents. Although the distribution of care arrangements for children under age 3 in families earning \$55,000 to \$74,999 included family child care (21 percent) and the use of an in-home nanny/babysitter (24 percent), the most frequent provider was a grandparent (33 percent).
  - For children ages 7 and above, the lowest income parents, earning under \$35,000, and upper-middle income parents, earning between \$75,000 and \$99,999, were most likely to choose grandparents (55 percent and 62 percent, respectively). Families between these two income categories were more likely to choose a Before and After School program for their child of this age.
  - Families earning \$100,000 or more chose an in-home nanny/babysitter most often (52 percent).
- For children ages 3 to 5, parents at all but the lowest income levels selected private part-day preschools combined with in-home nanny/babysitter or grandparent care. Families who earn under \$35,000 tended to choose a combination of a child care center with care by a grandparent for children of this age.
- Licensed and registered child care programs are among the arrangements parents currently choose least often for their children.

Westchester County parents in this research indicated that they were choosing non-regulated child care for two reasons that are not entirely separable. Families did not consider the cost of child care as a first, second, or even third priority in choosing a child care arrangement. But focus group discussions indicated that cost was closely tied to quality in the minds of these parents. That is, they looked for quality, didn't find what they wanted and also found that programs that don't meet their standards seemed very expensive, considered as part of their overall budgets. Their primary reason for choosing other options seemed to be about quality and they also saw lack of quality in the context of high cost.

*High cost of care:* All families found child care in Westchester County expensive, and those who made less than \$100,000 per year were painfully pinched. The cost of all care (and particularly high quality care) was unaffordable, not because it was overpriced by the providers, but because of the county's extremely high cost of living (especially, parents said, relative to taxes and housing).

Although there are many families with high incomes in Westchester County, the cost of living overall is so high that child care is a significant financial burden, even for some at the higher end of the income scale. Families need more assistance covering child care costs.

- The mean weekly child care center rate for two children (a preschooler and a school-ager) was reported to be \$356.<sup>50</sup> The mean for family child care was reported as \$322 per week for two children of these ages. For an infant and a preschooler, the mean rates were reported as \$546 for centers and \$448 for family child care. If a third, school-age child was in this family, the costs for family child care would rise to \$557 per week and to \$662 for child care centers.

It is important to note that, despite the expense burden on families, none of the child care businesses in the county are making high profits. Averaging family child care mean rates for infants, toddlers and preschoolers, the mean enrollment of 6 children in April 2005 would have produced about \$70,000 per year in income, before business expenses. Multiplying child care center mean rates for infants, toddlers and preschoolers by the mean enrollments for those age groups indicates that mean income for a center in the county is approximately \$1.5 million per year before expenses. In this fictional center with a budget based on mean enrollments and tuition rates, the minimum salary expense, alone, would be close to \$300,000.

In the last fiscal year, 36 percent of child care centers broke even and 24 percent ran a deficit; 25 percent of centers were profitable in that period. In the 12 months prior to the survey, 20 percent of centers reduced paid teaching staff because of reductions in enrollment or budgetary concerns (50 percent of those let one staff member go; 34 percent laid off 2 or 3 staff members). More than half (58 percent) of centers offer discounted fees to parents as an incentive to enroll; 52 percent offer discounted fees to their own employees; and another 14 percent offer other incentives for enrollment, such as scholarships.

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<sup>50</sup> 51 percent of parent respondents indicated that they had two children under age 13. About 20 percent had a child aged 2 or younger, more than 40 percent had a child aged 3, 4 or 5, and 38 percent had a child aged 7 to 12.

- Median household income in 2003 was \$61,835,<sup>51</sup> and the mean was estimated by the 2000 Census as \$104,653, with the upper bound of the estimate at \$110,499. Therefore, the reported cost of \$546 per week for center-based child care for two children, an infant and preschooler, represents 27 percent of the estimated mean income in the county, and 46 percent of the median income. In the 26 percent of households where incomes are less than \$35,000 per year, the reported cost of center-based child care for two children, an infant and preschooler, represents 81 percent (at \$34,999 income) or more of income. At \$25,000 of income, the reported cost of center-based child care for these children exceeds the family income by over \$3,000.<sup>52</sup>
  - All families with an infant and preschooler (whether with one or two parents) at these income levels would be eligible for child care subsidy support from DSS. If enrolled in the subsidy program, they would pay, after April 2007, only 15 percent of their income that is above the poverty level for their size family. In a family of four at \$34,999 of income, the parent share would be \$2250 per year, rather than more than \$28,000 per year.
- Either most employers are not helping parents with the cost of child care or parents are not aware of what help they do offer. Fewer than 4 percent of parents had access to an on-site child care program at work. 24 percent of parents said that their own employers offered a Dependent Care Assistance program (DCAP) to set aside pre-tax income for child care expenses. 20 percent said that their spouse's employers offered a DCAP program. 47 percent of parents selected no items from a list of child-care supportive benefits from their employers. 46 percent selected no items from a comparable list of benefits available from their spouse's employers. The employers either offer none of the 11 benefits listed or, if they do, the parent respondent didn't know about them.
- Even the very minimal family share that DSS has budgeted for April 2007 and beyond—15 percent of income that exceeds the federal poverty level—is a significant outlay from a low-income family's budget. For example, in a family of four earning \$34,999 per year, and with an infant and preschooler in center-based child care, the subsidy program's family share of \$2250 is just 6 percent of the family's gross income, below the nationally recommended 10 percent. But from the *family's* perspective, after deduction of income tax and Social Security and rent of over \$15,000, that \$2250 becomes nearly 20 percent of their disposable income.

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<sup>51</sup> American Community Survey, 2002, U.S. Department of the Census

<sup>52</sup> The U.S. Census estimate, using 2003 inflation-adjusted dollars, indicates that there are 64,670 households with incomes below \$25,000 in the County. While not all of these households have children in need of child care, these data indicate the circumstances these families face if they would like to use formal child care and are among the families who are denied eligibility for subsidy for various reasons.

The choice between paying the family share in the subsidy program and asking a grandmother to care for the children is an easy one to make in such circumstances. This situation is not a problem that DSS, alone, can resolve. Their program is sound; but the economy in which that program operates is not sufficiently supportive of low-income families.

Parent concerns about paying for child care were stated quite clearly in the focus groups and validated by survey data. Families reported that they were patching together complicated child care solutions because they couldn't afford good care. Owning a home was named by some people as a high priority, and that expense, in the context of a county with a high cost of living, was a significant obstacle to affording child care. Some people were working two full-time jobs to keep their house and using grandparents to watch the children. Many other parents reported working weekends and evenings to try and make money to pay their bills and avoid having to use child care.

Parent perceptions of quality. Westchester County parents are discerning consumers of child care. This discernment is reflected in parents' priorities for their child care choices; the quality of a program was the fourth highest priority for parents when choosing child care (after having a program close to home, seeing their child is happy in the program, and the program's quality). While many communities find that price, first, drives parent choices, the cost of the program is not in the first three priorities of Westchester County parents.

It is clear that there are some examples of good quality programs in Westchester County, and they have long waiting lists. But parents in focus groups largely characterized the programs in the county as being of poor quality or unresponsive to their needs. Program hours do not meet their needs in terms of hours. The locations of many centers do not match where parents live or work; they are inconvenient. Parents without cars are at an added disadvantage and cannot access programs that are not convenient to bus routes.

In some cases, programs available were of such poor quality that parents were concerned about their children. Numerous parents reported visiting programs that appeared dirty and dark. A parent reported witnessing staff screaming at each other or at children when she took a tour. Many parents reported the perception that the quality of teachers seems to be going down. Parents were aware that teachers in the centers are paid so little that there is high turnover; they see how this affects their children and the communications between parents and teachers. Focus group parents felt strongly that a more effective monitoring system is needed for child care providers.



The survey data from parents validated these perceptions shared in focus groups.

- In all, 34 percent of all parents indicated that they *definitely* would, *probably* would or *might* make a change in child care arrangements now, if they could, and this preference was tied to income level. 34 percent of those with incomes under \$35,000 and 30 percent of those with incomes between \$35,000 and \$55,000 definitely would or probably would change child care arrangements if they could.
- The survey asked parents if they had changed child care arrangements in the past 12 months and why. 16 percent indicated that it was because they or their child was not happy in the program.
- Parents on the survey were asked to identify one thing they would most like to change about their primary child care arrangement and 10 percent identified a change that was clearly related to the quality of the program. Though a small proportion of the total group, their responses included serious concerns with: better facilities, child/adult ratios, cleanliness of environment, education level of caregivers, children getting enough attention, children watching TV and playing video games, a need for materials to be updated, need for more activities for children or smaller class sizes, high staff turnover, and providers talking on cell phones.

*Quality of programs.* The survey data also indicated that 62 percent of parents definitely would not or probably would not change care arrangements if they could. Still, data provided by the child care programs and the Child Care Council reinforced that there is significant room for the quality of programs to improve. Using national accreditation and other proxies of quality as indicators, the average quality of care appears to be relatively low. This state of affairs is not for lack of a commitment to quality among the child care programs in the county.

There is a strong desire and commitment to provide very high quality care among program directors. Forty-five percent of center directors indicated that meeting accreditation requirements was a major concern or somewhat of a concern. Almost 80 percent were similarly concerned about their ability to recruit and hire qualified staff. But the cost of achieving and maintaining quality is particularly high in a place like Westchester County, and will require additional support and resources to make it available more consistently.

Very few child care centers and homes in Westchester County have attained the highest levels of quality, as indicated by national accreditation, the most widely accepted standard of high quality and the one best known to parents.

- 7 family child care businesses (less than 2 percent of the total) were accredited by the National Association for Family Child Care.<sup>53</sup> Another view of family child care quality comes from a special project in which, out of a possible score of 60, some of 120 family child care businesses scored as low as 37 and 40, respectively, on two administrations of the National Association for Family Child Care Accreditation Readiness Assessment.<sup>54</sup> The assessments were administered at the beginning and end of a 12-month period of technical assistance focused on improving quality.<sup>55</sup> As a score of 60 indicates that a program has the capacity to *begin* an intensive quality improvement process that leads to accreditation, these low scores are not promising. An increase of just 3 points after 12 months of technical assistance on improving program quality is also of concern.
- 47 (8 percent) of 550 Westchester County child care centers and preschools are nationally accredited.
- After national accreditation, education level of staff is the second most widely recognized indicator of program quality in early learning programs.<sup>56</sup> Higher levels of teacher education, particularly education that is content specific to early childhood development, will result in better outcomes for children. Teaching staff in center-based programs in Westchester County reported having a mean of 38 percent of teachers with bachelor's degrees.<sup>57</sup> Fewer of these teachers have higher education that is specific to the content area of early childhood development. A mean of 18 percent reported holding this degree in early childhood. Another 19 percent hold two-year associates degrees in this field.

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<sup>53</sup> On this survey, 64 family child care businesses (37 percent) indicated that they were accredited by the National Association for Family Child Care (NAFCC). However, according to NAFCC's web site, there are only 37 accredited programs in all of New York State. NAFCC and the Westchester Child Care Council confirmed that there are 7 accredited family child care homes in the county. Many respondents may have confused accreditation with licensing.

<sup>54</sup> The tool is used together by the provider and consultant to rate the family child care business in the core areas of Interactions, Environment, Activities, Safety and Health and is intended to show that a business is ready to embark upon quality improvement and move toward achievement of accreditation standards.

<sup>55</sup> The Child Care Council of Westchester County used the tool in July 2005 and July 2006 to assess the quality of family child care businesses that serve children who receive child care subsidy funds. 30 percent of those assessed were licensed and the rest were registered.

<sup>56</sup> Fiene, R. (2002). 13 indicators of quality child care: Research update. Presented to the Office of the Assistant Secretary for Planning and Evaluation and Health Resources and Services Administration/Maternal and Child Health Bureau, U.S. Department of Health and Human Services. See <http://aspe.hhs.gov/hsp/ccquality-ind02/>; Whitebook, M. (2003). Early education quality: Higher teacher qualifications for better learning environments – A review of the literature. Berkeley: Center for the Study of Child Care Employment, Institute of Industrial Relations. See <http://www.iir.berkeley.edu/cscce/pdf/teacher.pdf>.

<sup>57</sup> The mean number of full time teachers in each center-based program is 4, with five full-time assistant teachers, 2 part-time teachers, and 3 part-time assistant teachers. The mean teaching staff per center also includes 1 full-time aide, 1 part-time aide, .4 of a full-time teacher-director and .3 of a part-time teacher-director. The total size of the mean teaching staff at a center is 9.7 full-time and 5.9 part-time staff.

- The highest level of education for the majority (54 percent) of family child care business owners is a high school diploma or some college coursework. Just 10 percent of family child care business owners were pursuing a degree in early childhood studies. 76 percent had completed no college coursework in the past 12 months. 47 percent of family child care business owners had completed between 16 and 30 clock hours of non-credit child care training within the preceding 12 months and 25 percent had completed fewer than 15 hours.<sup>58</sup>
- Child care center directors who were interviewed as stakeholders all believed that their programs were of high quality. However, they also reported that they were losing the more highly qualified teachers they once had. Unable to attract college-credentialed teachers with the salaries they can pay, they have found themselves with higher turnover and less-educated teachers. For example, one director indicated that some of the school-age teachers in that program were unable to help the 4<sup>th</sup> and 5<sup>th</sup> graders with their math homework because they could not understand it.

Lack of flexibility and a need for longer hours than most programs offer: Beyond the intersection of cost and quality, both the survey and focus group data clearly showed that parents were choosing non-regulated care for a number of specific reasons that related to their unmet customer needs. These reasons can be viewed as another example of low quality, from the perspective that high quality programs respond to customer need.

One of those reasons was a perceived lack of flexibility in programming options at child care centers, specifically the hours programs are open. One significant factor that creates a demand for more flexible child care arrangements is parents' long commute to work.

- Of the 472,155 Westchester County residents above the age of 16 who are in the labor force, just over half (57 percent) work within the county. About half that many work in other counties in New York State and 24 percent of Westchester County adults in the work force commute into the boroughs of Manhattan, Queens, and the Bronx. The hours many child care programs are open do not allow parents sufficient time to make this commute.
- While the vast majority of respondents (more than 80 percent of parents) work one full-time job, the commute can make the times child care is needed longer and less predictable. More than 160 parents on the survey indicated an unmet need for care before 7:00 AM or after 6:00 PM and more than 350 parents indicated that the schedule on which they need care varies daily, weekly, or monthly. These 500-plus potential customers are using other solutions for their child care needs, and depriving the county's child care programs of their business.
- A small number of parents need evening or weekend care, and these parents are choosing other child care options because they cannot find regulated care that meets

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<sup>58</sup> In New York State, those who dispense hearing aids and appraise real estate are required to have 20 hours of continuing education per year.

- these needs for flexibility. 76 percent of family child care businesses offer no evening or weekend services. 6 percent offer evening care, 4 percent offer weekend care and 14 percent offer both evening and weekend care.
- The majority of family child care businesses (68 percent) do not accept children earlier than 7:00 or 7:30 AM. 52 percent of child care centers do not accept children until those times. The majority of family child care businesses (64 percent) and child care centers (60 percent) require that children be picked up no later than between 5:30 and 6:30 PM. No center-based program allowed children to be picked up later than 7:00 PM. 7:30 and 8:00 PM pick up times were only available at family child care businesses.
  - Very few owners and directors of child care centers and family child care businesses perceived parents' needs for care outside of their operating hours as the primary reason for under-utilization of the county's child care capacity. However, many parents cited the lack of flexibility in hours as a challenge for them.
  - Parents were asked what child care arrangements they most wanted. 31 percent wanted a child care provider available during flexible hours and 39 percent identified a part-day structured early education program as one of their three preferences (more often than in-home care by a nanny at 28 percent).<sup>59</sup>

However, many center-based and family-based child care programs reported that they offered no part-time care, especially for children under kindergarten age. The survey indicated that 26 percent of family child care businesses and more than half (57 percent) of center-based programs offer no part-time care. In contrast to these survey data, almost all of the directors in the stakeholder interviews indicated that they offer part-week care for children, though none offered part-day. These directors were identified as leaders in the industry and may not be representative of the whole population.

While cost is not the driver of parent choices for child care, the *intersections* among cost, flexibility and quality compounds all three concerns and causes ever more families to opt out of the formal system. Because of their concerns about quality, many parents of higher incomes who could afford to pay for regulated child care are choosing in-home nannies. Parents of middle incomes, who might stretch their budgets to cover the high cost of regulated care, indicated that they perceived the quality was not a good value for the cost. They are choosing grandparents and other relatives instead.

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<sup>59</sup> Parents were given the opportunity to identify their top three choices from a list of 10 options. Viewing all three choices across all parents, the highest priority was for a relative or friend (41 percent). The second and third most chosen options were a part-day structured early childhood program (39 percent) and a child care provider available during flexible hours (31 percent). About half the parents who chose the part-day structured program wanted a relative or friend to provide care the rest of the day and about half wanted a nanny in their home to provide care the rest of the day.

The lowest income parents, if they are not eligible for or have not applied for child care subsidy funds from DSS, simply cannot afford the tuition in regulated child care centers and homes. If they could, many would still choose family and neighbor care because they, too, are concerned about the quality they see in regulated care and the family share, as reasonable as it is, can be unaffordable in Westchester County's economy.

*Relative to why use of child care subsidies provided by Westchester County DSS has not grown as anticipated and has, instead, begun to decline:*

**Finding #2.** The child care subsidy program operated by Westchester County DSS is well designed, follows many best practices, strives to be responsive to customer input and is working well, overall.

In the last seven years the implementation of the Westchester County DSS child care subsidy program has changed significantly at least three times, and the current administration of the program appears to be the most solid to date. When compared to other states and counties, Westchester County DSS shows well. It implements a number of practices in subsidy implementation that are considered best practices and recommended by national experts, such as:

- Families can mail a completed application and required documentation and are not required to have face-to-face visits with a caseworker to qualify for child care subsidies. This best practice enables low-income workers, who typically have fewer days off and less flexibility during work hours, to complete the application process more easily.
- Families are to receive a decision on their subsidy award within 30 days. DSS staff estimated that they achieved that target on 95 percent of applications in 2006, and achieved it on 100 percent of applications in the last quarter of that year.
- DSS advertises the availability of subsidy on city busses and includes information on income eligibility in its advertising.<sup>60</sup>
- DSS is beginning to form partnerships with businesses in the County that could be fruitful for expanding its public awareness efforts.

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<sup>60</sup> In cooperation with the County Executive's office, the Department of Social Services printed 2000 pamphlets in English and in Spanish summarizing the subsidy program and stressing the decreased parent share. Pamphlets were distributed in all district offices, in WIA Employment offices and throughout the community. In addition, advertisements were posted in buses and DSS staff, in cooperation with the Child Care Council of Westchester, Inc. and the Families Committee of the Board of Legislators, participated in forums promoting the child care subsidy program, which were held in various locations. In cooperation with CCC and Hudson Valley Legal Services, DSS also participated in forums explaining the child support requirement (in order to encourage potential eligible customers to apply for child care subsidy). One meeting, in cooperation the Hispanic coalition, was offered in Spanish. In addition to this concentrated campaign, each year several training sessions are held for child care providers, to demystify the basics of application for subsidy. These sessions are designed to assist them in helping their potentially eligible customers to apply for subsidy.

- A group of supervisors and senior managers meets monthly with representatives of the child care industry to obtain their input.
- Covering days of absence for a child who is sick and cannot attend child care.
- DSS pursues a continuing dialog with child care industry representatives, through monthly meetings of managers and supervisors and, at times, the responsible Associate or Deputy Commissioner. The addition of case managers, cycling them through so they all get the experience, would be an excellent addition to this practice.

These best practices, already in place, provide a strong foundation on which to build. Indeed, many customers have had a positive experience with DSS and the subsidy system. Child care subsidies from DSS have enabled significant numbers of parents to improve the quality of their child care arrangements. Of parents who currently receive subsidy, 80 percent reported that the subsidies allowed them to improve the quality of their child care arrangements. 64 percent of these parents reported that they would share with friends and relatives positive experiences about applying for child care subsidies through Westchester County DSS. Even 22 percent of those denied subsidy indicated that they had told friends or relatives about the availability of subsidy and had told them positive things about the program.

DSS has purposefully cultivated child care providers as key partners for informing parents about subsidies and helping them complete the application paperwork. This relationship is working well and parents rely heavily on child care providers for information about the availability of child care subsidy and for assistance in obtaining it.<sup>61</sup> 26 percent of those receiving subsidy learned about subsidy availability from a “child care center or babysitter,” and 54 percent had other help from a child care provider in the application process (see “Paperwork,” below).

Many more subsidy-receiving parents—39 percent—learned about the program from a friend or relative. Given that accurate information is more likely to come from child care providers than from friends and relatives, administrators in child care centers and family child care business owners are critical informants for low income customers and potential customers. There is also significant room for DSS to form partnerships with community-based organizations that serve populations eligible for subsidies. Such partnerships could help DSS with outreach, recruitment and completion of paperwork to ensure more eligible families access to subsidies.

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<sup>61</sup> Child care providers helped parents by going over the application with them (24 percent), helping them fill it out (26 percent) and reviewing the final application before its submission (32 percent). In addition, providers often place calls to DSS staff to determine the status of an application (27 percent).

*Despite these documented levels of quality in the subsidy program:*

**Finding #3.** Customers' perceptions of the Westchester County DSS Child Care Subsidy program are not consistently positive. Two serious areas of complaint are with the significant variability on the "front ranks" level of staff and the overwhelming application processes. Many parents indicated that they found the application paperwork burdensome and, in some cases, the case managers inconsiderate and even rude. Child care providers also found the paperwork burdensome and the process slow and unwieldy. Long waits for payment and month-to-month removal and reinstatement of children created an unpredictable stream of revenue and caused financial losses that make it difficult for small businesses to survive.

*Caseworkers:* The quality of the interactions between case managers and applicants was an area in which data indicated a need for improvement.

- 72 percent of those who were denied subsidy rated the *friendliness* of their case manager as fair (28 percent) or poor (44 percent) and 64 percent rated the case manager's *knowledge* as fair (28 percent) or poor (36 percent).
- While such ratings might be expected from parents denied the service, parents who received subsidy had similar experiences. 37 percent of those who received subsidy indicated that their case manager's *knowledge* was fair (22 percent) or poor (15 percent) and 45 percent found their *friendliness* to be fair (25 percent) or poor (20 percent).
- Stakeholder interviews with child care center directors and family child care business owners provided a pattern of examples of poor performance and poor attitude from some case managers. They said that some case managers had not sent letters or returned phone calls in a timely manner, made errors in eligibility determinations, gave incorrect information, and treated parents disrespectfully. Child care providers described situations in which a parent had been denied eligibility for one missing signature or one missing piece of documentation, when a quick phone call to the child care program could have solved the problem.

The resulting disruptions in subsidy have multiple negative effects: children experience removals from child care settings as their parents can no longer afford them, parents must take time off work to get subsidy reinstated or opt for lower-quality care, child care programs lose revenue, and DSS spends time and money removing a person from the rolls (often to reinstate them when the missing piece of information is provided). More responsive customer service and more effective partnerships with child care programs could reduce these disruptions in subsidy and result in a more effective and efficient system for all parties.

- In parent focus groups, there were also stories of caseworkers who were disrespectful, gave conflicting information, and seemed to be more invested in catching people perpetrating fraud, than in helping them get subsidy assistance.
- In stakeholder interviews with child care center directors and family child care business owners, as well as in focus groups, many stories also surfaced about inappropriate action by staff from the Bureau of Case Review, which verifies employment. Among day laborers and domestics in particular, who change job locations often or may be sent on errands away from job sites, eligible parents may have been abruptly discontinued from the program on the basis of an unsuccessful attempt to verify employment.

DSS supervisors review cases and check both correspondence and eligibility determinations, so decisions are not made by case managers alone. DSS staff members also perceive that complaints about customer service have decreased and they continue to monitor deficient services, working to improve them. DSS staff members acknowledged that, although there is extensive training for caseworkers and clear policies and procedures that require a positive, customer-friendly approach, there may certainly be uneven customer service. For example, their policies require that employment should never be determined as unverified based on one verification attempt. Yet the pattern of specific examples generated through parent focus groups and child care provider interviews is too consistent to be dismissed.

Paperwork:

Data from several sources confirmed that the DSS paperwork requirements challenge both parents and child care providers:

- 83 percent of parents receiving subsidy found the application process “very difficult” (11 percent), “difficult” (25 percent), or “fair”—that is, between difficult and easy—(48 percent) rather than “very easy” or “easy.” 93 percent of those determined ineligible selected these responses (43 percent very difficult, 29 percent difficult and 21 percent fair). More than a third (35 percent) of people who are receiving subsidy rated the process to apply for subsidies as difficult or very difficult and 72 percent of ineligible applicants found it this difficult.
- 53 percent of people who received subsidies (and 72 percent of people who were denied subsidies) felt the paperwork required was more than they expected.
- More than 75 percent of those who were denied subsidy completed the application paperwork themselves, while 54 percent of those who received subsidy had help from their child care provider in completion of the application (i.e., review of the application requirements prior to its completion, help in completing the application, or review of the application after the parent completed it).



- From January through August of 2006, 63 percent of people denied subsidies in Westchester County were denied because they failed to submit the required documentation.
- A third of family child care business owners indicated that their major concerns included receipt of DSS subsidy payments in a timely manner (32 percent) or reconciling subsidy payments (34 percent). Among child care center directors, 25 percent and 20 percent, respectively, agreed that these were major concerns for them.<sup>62</sup>

DSS has recently reviewed their application and a simple, two-page alternative application form used by another county. Following careful review and discussion, they decided not to adopt the simpler form because the form they use gathers all the information required to apply for other benefits programs. They do allow parents who only want to apply for child care subsidy to skip non-relevant portions of this longer application form. Local stakeholders have recently asked DSS to reconsider a short form for Title XX parents or anyone who might not be eligible for other benefit programs. The rationale is that parents at the higher income ranges who are eligible for child care subsidy don't like the "welfare feel" of the application process and, so, don't submit the application.

*Child Support Enforcement:*

In addition to these perceptions about practices that can be remedied at the local level, parents in focus groups and child care center directors in stakeholder interviews were unified in their dissatisfaction with the state law that ties child care subsidy to child support. To become eligible for child care subsidy, parents are required to sue absent parents (usually absent fathers) for child support.

The state law has provisions to exempt those who should not be required to take this step (e.g., victims of domestic violence), but parents and child care providers affirmed that many low-income mothers are unwilling to initiate legal proceedings against these former husbands and boyfriends. The legal process was reported to have ruined once positive relationships with absent fathers, resulting in less financial support and less involvement of the father in the children's lives. These challenges are not related to local policy or local procedures, but are clearly having a limiting impact on inclusion of more eligible families in the child subsidy program. Parents' word-of-mouth negative "advertising" of experiences with this policy may prevent some other parents from ever approaching DSS at all.

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<sup>62</sup> Combining those for whom these issues were "somewhat of a concern" with those for whom they were a major concern, more than half of family child care business owners and 40 to 47 percent of center directors are concerned about these aspects of their businesses.

*Even if customers' perceptions of DSS became more positive:*

**Finding #4.** The subsidy eligibility limits are low, given the high cost of living in Westchester County. These limits are capped by the state. DSS has regularly increased them within the limits of that cap and they are now as high as 275 percent of the federal poverty level for those families eligible for help under Title XX.<sup>63</sup> Even at this level, they do not work well in a county where household incomes of \$50,000 to \$75,000<sup>64</sup> do not enable a family to purchase quality child care.<sup>64</sup>

Because the majority of households are of high-income, the market in Westchester County will bear higher tuition rates which are then out of reach of middle-income earners. Therefore, many families who have incomes above eligibility cutoffs for subsidy find the full cost of child care well beyond their reach.

- 57 percent of respondents to the parent survey had a total family income of \$100,000 per year or more. 24 percent of parent respondents reported income under \$75,000 per year.
- Families grossing almost \$75,000 per year would pay 25 percent of their gross income for two older children in a child care center and more than a third (38 percent) of that income for two younger children, requiring them to compromise their spending on essentials like housing, food and health care. The majority (65 percent) of families who earn under \$75,000 earn \$45,000 or more per year and would not be eligible for DSS subsidy.
- More than 30 percent of respondents to the parent survey indicated that they would be able to pay only \$100 per week for child care for all their children. Another 28 percent felt they could pay between \$101 and \$250 per week. The \$356 per week and \$546 per week, respectively, that it costs to provide center-based care for a) the combination of a preschooler and a school-ager or b) an infant and a preschooler, compared to what parents feel they can afford, makes it abundantly clear why so many parents are not choosing regulated care.

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<sup>63</sup> Households of one or two are the only ones eligible under Title XX for this level of subsidy reimbursement.

<sup>64</sup> For a family of four, \$50,000 per year is 11 percent higher than the income allowed for those eligible for child care subsidy under Title XX. \$75,000 of household income is 67 percent higher (same family size). Yet, neither of these families would be able to purchase child care in the Westchester County market.

These financial challenges are exponentially more problematic for the lowest income families who have extremely limited disposable income, even if they receive subsidies. Because of the generous method of its calculation,<sup>65</sup> the family share co-pay of families eligible for DSS subsidy:

- Has been steadily lowered by DSS and was quite low in 2006 as a percentage of gross income for the lowest-income families, gradually rising, with increasing income, from 0 percent to 13 percent for families of two and from 0 percent to 11 percent for families of four; and, therefore,
- Creates a steep “cliff effect” (families that have been paying between 0 and 12 percent of their gross income for child care, when their incomes exceed the upper limit for their family size (\$35,000 to \$40,000), must begin to pay 100 percent of the cost).

The proposed and budgeted co-pay levels for 2007 in Westchester County—ranging from 0 percent to 10 percent of gross income for a family of two and from 0 to 8 percent for a family of four—still present a challenging (and, at the higher ends of these percentages, even impossible) level of expense for many income-eligible families because of the high cost of living in Westchester County. A monthly expense of \$250 remains a lot to squeeze, along with rent, food, and other basics, out of a monthly net income of around \$2,500.<sup>66</sup> This problem is not one that DSS can solve with policy or procedure changes. It is a broader economic development problem and its resolution will require collaborative effort by many stakeholders.

### ***Findings on Secondary Research Questions***

Additional findings related to the secondary research questions. Yet, they also have an indirect impact on the primary research questions. First, the combined capacity of child care centers and homes in the county is greater than the current demand. But that reality is not driving centers’ business models. In addition, the DSS child care subsidy reimbursement rates to child care programs are lower than the market rates. Together, these two factors contribute significantly to the fact that child care centers in the county are struggling to make ends meet. If DSS wishes for parents to be able to choose regulated center-based child care, some attention must be given to helping at least some of these programs continue operations.

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<sup>65</sup> In 2007, the family’s share of the cost of child care will be calculated at 15 percent of that portion of their gross income above the Federal Poverty Level (FPL), down from 20 percent in 2006. For example, a subsidy-receiving family of four earning \$40,000 gross will pay \$3,000 per year for child care in 2007, which is 15 percent of their \$20,000 income above the FPL of \$20,000. A subsidy-receiving family of two earning \$35,000 gross will pay \$3,270, which is 15 percent of their \$21,800 income above the FPL of \$13,200.

<sup>66</sup> Net income was calculated by deducting 25% for FICA and other taxes from an annual gross income of \$40,000, then dividing the result by 12 months.

**Finding #5.** The combined capacity of child care centers and homes in the county is greater than the current demand and centers' business planning and management is not responding to this reality.

- Between 62 and 67 percent of programs were not filled to capacity, according to a 2004 study by the Child Care Council of Westchester, Inc.<sup>67</sup> The study used data from over 700 programs, not including preschools/nursery schools.
- On the survey for this project, many family child care businesses reported that they are not filling all of their available spaces, with a mean gap of 2.3 spaces per business.
- Many child care centers also reported that they are not filling all of their available spaces, with mean gaps of 1.5 spaces for infants, 3.4 spaces for toddlers, 11 spaces for preschoolers and 30 spaces for school-agers. Therefore, in a center that serves 55 infants, toddlers and preschoolers, an average of 28 percent of available spaces were not bringing in revenue.<sup>68</sup>

These statistics on unused capacity are compounded by the small average size of child care centers in the county. With a median capacity of 65 children, half of the child care centers in the county are very small<sup>69</sup>. The 10 largest capacity centers serve 165 to 217 children, but 43 percent of all the centers serve between 41 and 80 children<sup>70</sup>. Thus, every individual program is significantly hurt by vacancies, as the business is so small that there is little flexibility in the organizational budget. This situation is not sustainable over the long term and indicates a need for child care programs to have strong business models and create financial efficiencies wherever possible.

Yet, very few centers had developed any of the components of a business plan within the 12 months prior to the survey.

- Only 20 percent had developed or updated a mission statement.
- Just over a third (34 percent) had planned ideal leadership and staffing patterns for the program.
- Less than one-third (32 percent) had detailed the features and benefits of their services, only 17 percent had defined their market, and less than a quarter (23 percent) had defined their target customer. However, 41 percent indicated that they had developed marketing plans to make their products/services visible to potential customers.

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<sup>67</sup> Child Care Council of Westchester, Inc. (2005). Westchester County child care supply and demand survey, 2005.

<sup>68</sup> Lost revenue in this scenario averages almost \$4,000 per week. In six months, these under-enrollments would cost a center more than \$100,000 in lost revenue, or more than 13 percent of annual income from tuition.

<sup>69</sup> Family child care businesses serve between 6 and 12 children in the home of the business owner.

<sup>70</sup> According to the National Association of Child Care Resource and Referral Agencies, an average capacity for a child care center in New York State is 138 children.

- Just over half (57 percent) had some budget projections, but only 25 percent had projected financials for the next five years.

These data reflect that *current* demand—constrained as it is by parents choosing friend/relative and nanny care over regulated child care programs—is neither filling the capacity nor driving new business planning. The demand for these programs could be greater, if programs were more responsive to what parents are seeking, relative to flexibility, part-week services, quality and cost, and if they used excellent business planning models to

determine which of these services to develop, how to market them, and to what target customers.

**Finding #6. DSS child care subsidy reimbursement rates to child care programs are often lower than the tuition rates they charge.**

Subsidy payments to child care centers and homes are often less than the rates these businesses reported they charge to non-subsidy customers. In 2006 they were also less than the market rate survey results from the state’s October 1, 2005 – September 30, 2007 plan for expending Child Care and Development Fund (CCDF) monies, as submitted to the federal government. In a small number of centers and homes that charge at the top end of the range of tuitions, the maximum subsidy rate was substantially lower than established tuition rates.

- The mean weekly child care center rate for two children (a preschooler and a school-ager) is \$356.<sup>71</sup> The mean for family child care is \$322 per week for two children of these ages. For an infant and a preschooler, the mean rates are \$546 for centers and \$448 for family child care.
- Maximum weekly subsidy for an infant at a child care center in 2006 was \$252; for a toddler, it was \$230. These rates were 82 percent of the county-wide mean fees that center directors reported they charged to non-subsidy customers. For a preschooler, the center rate for maximum subsidy was \$210 per week, which is 88 percent of the county-wide mean fee charged to non-subsidy customers.<sup>72</sup>

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<sup>71</sup> 51 percent of parent respondents indicated that they had two children under age 13. About 20 percent had a child aged 2 or younger, more than 40 percent had a child aged 3, 4 or 5, and 38 percent had a child aged 7 to 12.

<sup>72</sup> Adding the family’s co-pay to the subsidy rate will, in some cases, provide the business with the same rate they charge non-subsidy clients, if the child attends every day. However, subsidy payments do not cover all missed days, whereas business policies might require unsubsidized customers to pay for all missed days, leaving the business owner with a shortfall of revenue from subsidy-receiving customers.

- In family child care, infant and preschool maximum subsidy rates were \$200 and \$180 per week, respectively, which were 85 percent and 84 percent of the county-wide mean fees charged to non-subsidy customers.
- In the state CCDF plan, referred to above, the market rate survey results showed a weekly rate of \$300 for infants (19 percent higher than the maximum 2006 subsidy reimbursement for infants at a child care center). The weekly market rate for toddlers, as reported in the state plan, was \$281 (compared to \$230 paid in maximum subsidy reimbursement in 2006), and \$233 for preschoolers (compared to \$210 paid in 2006).
- These figures indicate that, for many child care centers, enrollment of children on subsidy resulted in tuition shortfalls.
- Although DSS has proposed and budgeted to increase reimbursement rates by 14 percent in 2007, the maximum reimbursement will still be less than most centers charge.

The outcome, *primarily* because of the market conditions and secondarily because of maximum subsidy reimbursement rates lower than what child care centers charge, leads to this final finding that has been anecdotally obvious to many of the county's stakeholders:

**Finding #7. Child care programs are struggling to make ends meet.**

The cost of providing child care in Westchester County is significantly higher than many other counties because the cost of living is so high. That cost of living translates into the need for child care programs to pay higher staff wages, higher rents on buildings, and higher operating costs. Although parents are struggling with the high cost of care, the high cost of *providing* care means that the big bite out of parents' budgets does not translate into profits or even the capacity to break even. If DSS wishes for parents to be able to choose regulated center-based child care, some attention must be given to helping at least some of these programs continue operations.

Evidence of concerns with solvency was visible in survey responses. The survey asked child care centers and family child care homes to identify items of *major concern* and *some concern* from a list of potential challenges. Many of the items of concern related to financial stability, including:

Major Concern:

- Finding money for program/facility (CCC-48%; FCC-36%)
- Offering competitive wages (CCC-39%; FCC-37%<sup>73</sup>)
- Enrolling enough children to be at full capacity (CCC-37%; FCC-33%)

Some Concern:

- Finding money for program/facility (CCC-81%; FCC-70%)
- Offering competitive wages (CCC-80%; FCC-73%)

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<sup>73</sup> The language on this item for the family child care survey was "being adequately compensated for work."

- Enrolling enough children to be at full capacity (CCC-77%; FCC-69%)
- Finding money for staff training (CCC-65%; FCC-n/a)
- Meeting basic expenses (CCC-54%; FCC-62%)
- Getting DSS subsidy payments in a timely manner (CCC-48%; FCC-52%)
- Reconciling subsidy payments (CCC-41%; FCC-52%)
- Budgeting and accounting assistance (CCC-40%; FCC-52%)<sup>74</sup>

Given the extremely high cost of operating child care programs in Westchester County, child care businesses with the lowest tuitions would certainly benefit from maximizing the available subsidies that families receive through DSS, county scholarships, and other sources. The amounts available from existing funding sources, even if fully tapped along with tuition from cash clients, are insufficient to cover the costs of a high quality program. Also, many of these funding streams are tied to serving low-income children, so centers serving communities with low proportions of low-income children are less likely to use them. Still, few programs are accessing all of the existing funding available.

- Of the sources of program-based subsidy available to child care centers, 11 percent received Head Start funding, 5 percent received state pre-k funds, 18 percent received funding from a private or community foundation, and 25 percent received funding from other private or public sources.<sup>75</sup>
- 49 percent of family child care businesses and 32 percent of child care centers participated in the Child and Adult Care Food Program, which subsidizes the cost of meals and snacks and is based on the family incomes of children served.
- 85 percent of family child care businesses and 59 percent of child care centers surveyed indicated they were willing to accept DSS-subsidized children.<sup>76</sup> However, of those programs willing to accept subsidy, *56 percent of family child care businesses and 32 percent of centers had no subsidized children enrolled.* Thirty percent of family providers willing to accept a subsidy had between 2 and 4 subsidized children enrolled. Forty-one percent of child care centers willing to accept a subsidy had between 1 and 5 subsidized children enrolled. The average-sized child care center in the county had 87 children in it, so 5 children on subsidy represented 6 percent of the total enrollment of an average center.

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<sup>74</sup> The language on this item for the family child care survey was "business management."

<sup>75</sup> The most common other sources of funding listed were United Way, Child Care Council of Westchester, and churches. A few also receive funds from city governments and their own fundraising efforts.

<sup>76</sup> DSS is not aware of any center or family child care business that has refused to serve a customer who receives subsidy.

Although one center director in the stakeholder interviews stated that “centers are in crisis in Westchester,” and indicated that many centers “are on the brink of closing,” that picture did not emerge as a consistent pattern among the 11 center directors interviewed, or in the results of the survey data. Among the center directors interviewed, four identified financial concerns as among their biggest challenges and a fifth indicated that under-enrollment was somewhat of a challenge. One other indicated that the center charges less than actual costs per child because the board wants to ensure that the center remains affordable for parents. Survey and interview data combined indicate that about half of centers are feeling what may be anywhere from a moderate to serious financial pinch.

Stakeholder interviews with child care center directors and county leaders clearly revealed that some center directors have good skills and knowledge in market research, financial planning, and cash flow analysis and management. However, most of the 11 directors in the stakeholder interviews mentioned a need for training in technology, financial management, accounting, and fund development.



## **Summary: Answers to Research Questions**

These findings, when viewed as a whole, along with the ways in which they intersect with each other, provide the answers to the research questions posed for this study. The first research question addressed by this study was why enrollments in the county's child care services that are licensed and registered by the NYS OCFS (Office of Children and Family Services) are not at the level anticipated, based on studies performed by the Child Care Council of Westchester, Inc. **The primary reason that enrollments are not meeting projections is the combination of parents' dissatisfaction with the quality of programs and programs' high cost.** Because parents are not finding the quality they want in the county's child care programs and are unwilling to pay such high prices for lower quality, they are opting out of formal child care programs. As a result, the combined capacity of child care centers and homes in the county is greater than the current demand.

The second question this research project addressed was why use of child care subsidies provided by Westchester County DSS has not grown as anticipated and has, instead, begun to decline. **The most significant factor is that the subsidy system and the county's economy are not a good match.** The cost of living in the county is very high, relative to state-determined subsidy eligibility limits and the reimbursement rates set for child care providers. Therefore, many parents who need help paying for child care are not eligible for DSS child care subsidy and many child care programs that enroll subsidized children receive a reimbursement for that child that is lower than the tuition rate they normally charge.<sup>77</sup>

Over the past six years, DSS has steadily increased income eligibility limits, increasing the subsidy-eligible population. It has increased the maximum rates of reimbursed tuition for child care providers. It has also consistently reduced the co-pay amounts that are the parent share of the tuition. Even so, subsidized child care remains unaffordable for many parents and for many child care providers.

**A second factor in declining use of child care subsidy might be seen as an image problem by some, a communications/public relations problem by others.** Pervasive complaints about some case managers' performance and the difficulty of the state-mandated application process combine with a general resistance to "going to the government for help" to create a widely held story that the DSS child care subsidy system in Westchester County is poorly operated, at best, and inhumane, at worst. Although Westchester County actually operates the program very well within the constrictions of state policy, the perception of its customers is otherwise. In addition, child care providers, who *could* be the county's best ambassadors for the program, tend to facilitate and extend the negative image.

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<sup>77</sup> DSS is not aware of any program that has refused to serve a subsidized child

## DISCUSSION AND RECOMMENDATIONS

The recommendations made below are general, rather than specific, because the research team believes that solutions explicit to Westchester County are best developed by stakeholders from the county, rather than outsiders. These general recommendations are in three broad categories: Paradigm Shifts, Long-Term Solutions, and Short-Term Programmatic Changes.

### ***Context for Recommendations***

Those who seek to improve the Westchester County child care market clearly face many challenges. In fact, it is reasonable to say that, although it has great strengths, the child care system in Westchester County has serious challenges. However, the challenges the county faces are well known in communities and states all over the country. Almost every U.S. parent faces similar challenges in the search for high quality, affordable, accessible child care programs. Child care programs in every state struggle to balance the need to pay higher salaries to secure and retain quality teachers with the need to keep prices affordable for parents. From coast to coast, state and county agencies that operate child care subsidy programs struggle with providing parents and child care providers with excellent customer service while remaining accountable for the use of public funding.

**But these problems are exacerbated in Westchester County because the cost of living, and therefore the cost of child care, is so high, and because there are insufficient investments beyond parents' resources to make high quality care consistently available to all families.**

In brief summary:

- Parents are not finding the quality of programs they want.
- Parents who need help to pay for child care perceive—rightly or wrongly—that support resources are not available or are too difficult to access.
- Facing the realities of tight family budgets and no outside help, parents are creating solutions for their child care needs that are outside the system of regulated programs.
- Because of this exodus to alternative, unregulated child care arrangements, the capacity of regulated child care programs now exceeds the demand.
- Under-enrollment and the resulting drop in revenue is exacerbated for some child care programs that serve a larger proportion of low-income families, because they must accept lower fees for children enrolled in the subsidy program than they charge their non DSS-subsidized customers.
- Therefore, some child care programs, particularly centers, struggle financially.

A child care system in which parents choose family, friend and neighbor (FFN) care more often than regulated child care is, also, nothing new or unique to Westchester County. However, the proportion of parents opting out of regulated care is higher here than in other communities around the country. In and of itself, this choice is not a problem *if these alternative solutions consistently work well for parents, children, employers and the schools that receive those children at kindergarten entry*. Some parents in focus groups did talk about the challenges they have with piecing together several child care arrangements to cover a full work week. They also described the challenges they face when one or more of their alternative arrangements falls through, which often happens with little or no advance notice. But these questions about whether FFN care works well for parents and other stakeholders are not questions that were asked or answered by this research.

If parents, employers and schools—three of the primary child care stakeholders in Westchester County—decide to join forces with their local government and a coalition of business owners from the child care industry to address the challenges described in this research, they will be able to build on a foundation that includes a number of invaluable assets:

- There are serious commitments at various places within the Westchester County government and in several of the county’s large nonprofit organizations to help resolve the challenges faced by parents and child care businesses. This level of commitment and its consistency are a unique opportunity.
- Within Westchester County Department of Social Services, particularly among the leadership staff of the child care subsidy program, there is a strong desire to figure out how to provide better services to families and child care programs. The subsidy system is, overall, designed and implemented well, with a focus on continually improving customer service for parents.
- The Child Care Council of Westchester County has strong leadership that is well-respected in all sectors of the county and is in a unique position to broker new partnerships and engage new stakeholders. The Council has contracted with a nationally-respected consultant to support them in engaging the community in new solutions.
- The Partnership for Affordable Child Care has engaged a team of non-traditional stakeholders who are committed to developing entrepreneurial solutions to the significant challenges in the child care market in Westchester County. This “brain trust” could be an invaluable asset to develop and help fund new strategies in the county.

- The child care provider community includes a number of leaders who are intent on making high quality child care available in the county and have the strategic skills to serve as change agents.

These existing strengths should be cultivated and fully utilized as key assets in developing solutions to the challenges outlined in this report. Now is the time to harvest some of the fruits of these assets. Solutions for the struggling child care market and parents of Westchester County will require a willingness to directly intervene in the market and test innovative and entrepreneurial new strategies. Success will require full participation of all stakeholders in a coordinated plan of short- and longer-term solutions.

Westchester County DSS and the rest of the county's local government, alone, cannot be the sources of the solutions. For successful renovation of the county's child care system, child care business owners will need to step forward as key partners for effective and positive change. Major employers will need to be educated about their interests in a healthier child care system and the roles they can play in creating a system that will support their current employees and help build their future workforce. Local funders, too, may need to learn more about what exists now, why it exists, and how it can change. Most crucially of all, there must be a "keeper of the vision," an individual or organization that can serve as a champion, motivating others and sustaining the process of change. Westchester County faces systemic issues in its child care system and system change requires substantial investments of energy and time.

### ***Paradigm Shifts***

System-wide problems can only be resolved through system-wide changes. That kind of change always requires paradigm shifts: alteration of fundamental approaches and re-examination and reconfiguration of long-held assumptions. To resolve the challenges facing Westchester County, these paradigm shifts will be required of many stakeholders: the child care providers, Westchester County DSS, the Child Care Council of Westchester, and other government and business partners who are engaged in work on these complex problems.

**Recommendation #1.** Child care business owners should begin to look at themselves as change agents, and should learn more about the processes of systemic change. Those who do will be able to make a positive impact on the whole system, as well as on their businesses.

There is wide agreement among child care business owners that DSS is consistently improving the child care subsidy program. There also appears to be a fairly high level of agreement about issues they have with the program. But child care providers, as a potential coalition, have not been effective in getting their message across in a way that achieves the outcomes they seek.

Relationships between child care business owners and DSS seem to fall into two categories. The first category is child care directors/owners who are anxious about creating waves in a system that is one of their sources of funding. In stakeholder interviews, these providers were reluctant to name their concerns specifically or to give details, or only wanted to do so “off the record.” The second category includes directors/owners who are not at all timid about confronting DSS and do so regularly. Some members of this group succumb to the temptation to use negative hyperbole and drama to motivate change.

Research on system change has proven that there are better ways to elicit and sustain motivation. In fact, a negative focus in communications (i.e., describing how dreadful a situation is) has been documented by national communications experts such as the well-respected Ad Council as ineffective in encouraging others’ involvement in alleviating that situation. Those who are willing to speak up will be better able to motivate others to join them and will be more productive in their efforts if they develop more positive and constructive messages. Learning more about other aspects of system change will also greatly enhance the success of their efforts.

**Recommendation #2.** More effective businesses models must be developed in the child care industry. The development of these models could be spearheaded by a partnership between the Child Care Council, Partnership for Affordable Child Care and entrepreneurial child care program leaders (see also Recommendation #10).

The stakes for addressing the child care issues in Westchester County are high. The future of children’s ability to enter school prepared for success, and of parents’ ability to work, may rest on how well leadership in the county addresses the problems outlined in this report and the questions it leaves unanswered. **The kinds of thinking that contributed to the creation of these problems**—by business, child care programs, and parents—**cannot be used to solve these problems.** Tackling these challenges will require new thinking, as well as new partnerships and new solutions. A partnership that includes the Child Care Council, the Partnership for Affordable Child Care, and child care providers from the community could address this recommendation together. For optimal effectiveness, this partnership should include those child care partners who are most committed to developing more effective models of serving families. The change process works best when investments are made first in those who are the most likely to change, rather than those who are least likely.

Child care programs in Westchester County—both centers and family child care homes or group homes—will need to voluntarily make fundamental changes in their business models to better respond to the existing market. For most centers, “business plans” are currently informal and seem to be based on historic precedent and maintenance of status quo, the current bank balance, and/or convenience for staff. The paradigm shift required is from “child care think” to “business think,” resulting in adoption of a more formal approach to

business planning. When child care centers and homes become more customer-responsive and more market-competitive, they will begin to attract customers back from the FFN care parents choose now. When owners and administrators of child care programs begin acting more like business managers and entrepreneurs—when they make decisions that are fiscally sound and innovative—they will be better able to sustain themselves as solvent businesses, regardless of their for-profit or nonprofit status.

The Partnership for Affordable Child Care and the Child Care Council of Westchester County could support this paradigm shift by providing training in business *planning*, as well as business management, and in entrepreneurial approaches to business.<sup>78</sup> They could broker partnerships that match child care owners and directors, or groups of family child care business owners, with business planning experts from area businesses, the Chamber of Commerce, and other resources for that expertise. Seed funding from foundations or other investors to establish training programs, pay for consultants and/or to pilot innovative business models, will be critical to acting on this recommendation.

**Recommendation #3.** To respond to the unique needs of families and child care programs in Westchester County, DSS must work with its partners outside county government to generate creative and entrepreneurial ideas for the use of state/federal resources and the county investment in child care subsidies. The county’s investment could be used more flexibly to better serve the families of Westchester County and to address limitations imposed by state/federal policy (see Recommendation 6 for an example).

*The State Plan for CCDF Services for the Period 10/1/05 – 9/30/07* described the Innovative Program Initiative, which “provides funding opportunities for participating public and private agencies to exercise their creativity in addressing emerging needs by developing proposals in areas of research and programming development.” Through this program, the state encourages new ideas from stakeholders in the child care community or within county governments. “Programs developed under this initiative will have a state wide effect in improving the delivery and quality of child care services; expanding child care services to areas where traditionally there has been a shortage of quality child care; promoting public-private partnerships; assessing, analyzing and responding to new and emerging needs; and researching and studying the needs of unique populations. The Child Care Council applied for this funding in 2006 and is waiting for a decision. Seeking funding like this, from many sources, will help develop entrepreneurial ideas that respond to the needs of families.

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<sup>78</sup> The Ewing Marion Kauffman Foundation of Kansas City has developed a training targeted for family child care business owners that teaches business *planning* (not business management) and entrepreneurial thinking. *Developing Your Family Child Care Business* is available for purchase from the First Step Fund, at [www.firststepfund.org](http://www.firststepfund.org).

**Recommendation #4.** The Child Care Council could be more effective in its leadership role through greater emphasis on a dual focus that generates, coordinates, and implements new strategies and new partners to improve the quality and efficiency of local child care programs, as well as other aspects of the county’s child care system.

There are clearly many challenges facing the child care industry in Westchester County. While DSS has clear leadership responsibility for addressing the issues related to the subsidy system, the responsibility for implementing the other recommendations in this report is less clear. The stakeholder interviews with and surveys from the child care community clearly indicated that the leadership of the Child Care Council is well respected. Indeed, the Child Care Council is in a unique position, able to interact with the many different sectors that are affected by the child care industry (child care programs, business, government).

Elevating the Child Care Council’s role in the community to “keeper of the vision” for improving the child care system in the county is an essential element for future success. This is a challenging role, but one that the research team feels can be filled well by the Child Care Council. To accomplish this, the Council staff and board may need to think differently about the child care industry, and will need to be given adequate resources to take on this challenging and exciting new role.

An important first step in this paradigm shift would be a small feasibility study of the Council and its current operations, to determine what would be required for it to take on this additional leadership role. This study should consider how to address, at minimum:<sup>79</sup>

- the enhancement of data collection and analysis capacity, to ensure an accurate and continuous picture of the demand and capacity for child care, the needs of parents, the quality of the services available in the market, and how these change over time;
- convening a planning group for the design of, and ensuring implementation of a long term strategic plan (see *Recommendation #5*);
- a sophisticated plan of professional development for Council staff across the organization, using national experts to help prepare the Council to take on this enhanced leadership role;
- Additional staff support, to enable Council leadership (particularly the Executive Director) to be freed from some current duties, enabling focus on these new responsibilities.

If entrepreneurial solutions are to be developed, space will literally have to be created—in

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<sup>79</sup> Other issues and how to address them should be identified locally. These are general concerns that would be appropriate to address in any agency in any community as it considered expanding into such a role.

staff members' time, in program capacity, in new partnerships—for these to be generated, refined, and sold to other stakeholders. These kinds of changes will require the full buy-in of the CCC board and staff.

Ultimately, if not the Child Care Council, *some* organization in the county will need to be the clear leader on creating and implementing a long-term, outcomes-based plan for addressing the child care challenges in the county (see below). Various sectors will need to be engaged and mobilized to accomplish this. For this visionary leadership and planning to be done well, dedicated staff support and resources will be required; it can not merely be added to anyone's already-full plate.

### **Long-Term Solutions**

For some stakeholders, the need to adopt a long-term view and invest time in strategic planning may be additional needed paradigm shifts, those fundamental shifts in assumption and approach. For others, long-term and strategic thinking are familiar but have never been applied to these kinds of problems. Real solutions for the child care system in Westchester County will require a long-range planning orientation and a systems-approach to that change. As has been proven in other communities, systemic change takes time and investment from far-sighted funders.

**Recommendation #5.** The Partnership for Affordable Child Care, in concert with the Westchester County Association, United Way of Westchester and Putnam, school districts and other key partners should develop and seek additional partners to create and implement a five year strategic plan to address multiple issues in the county's child care system. At minimum, this plan should address:

- Work with child care programs to create economically viable programs that respond to the needs of the market. This aspect of the plan could include technical assistance, scholarships for teachers to get degrees in early childhood and/or facility-improvement grants.
- Strategies to help child care programs create economic efficiencies, such as group purchasing agreements for back-office financial, staffing, benefits and/or billing functions; shared marketing support; and/or mergers of smaller programs into larger ones.



A comprehensive initiative to improve the quality of child care without passing on additional costs to families. Based on successful investments in other communities, this quality improvement strategy could include scholarships for teachers to complete degrees, quality improvement grants, and/or technical assistance to help programs improve quality, especially through accreditation.

- Assessment of the feasibility and impact of a differential subsidy program to reward programs that meet higher quality standards (e.g., specific scores on quality assessments or national accreditation) with a higher level of subsidy reimbursement.
- Potential creation of wage supplementation for child care providers through a quality rating system, living wage initiative, or WAGE\$-style program.<sup>80</sup>
- Changes in public policy at the county and state level (e.g., a living wage initiative), connected to community mobilization, which in turn is predicated on comprehensive opinion polling data and message development.
- Encouragement of businesses to offer DCAP and the availability of other flexible employee benefits that could help with the cost of child care to employees. Rapid reimbursement systems that enable employees to receive reimbursement immediately (addressing the concern many employees raise that they can't live without the money in their check) should be part of the planning. The Partnership should also develop informational materials for families to help them understand how using pre-tax income can save significant money over the course of a year and over the course of the five years of child care before kindergarten.
- Sustainable funding during the development phases of the plan and long-term financing, as appropriate, to maintain the needed market supports.

All of these initiatives should target programs in low-income communities and/or programs that serve predominantly low-income children.

A coalition of progressive directors of Head Start, child care centers and preschools, together with family child care business owners, should be invited to take initiative in, provide significant leadership for, and collaborate in the design and implementation of the systemic solutions described above. As the three partners named above seek these child care industry partners, they would benefit from awareness that systemic change happens most easily when the time and energy of the change agents is focused on those who are most ready to change, rather than those who are most resistant. To be effective participants and leaders in this planning process, child care representatives will need to be willing to listen and learn a new

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<sup>80</sup> WAGE\$ is an initiative developed in North Carolina to provide salary supplements tied to increasing professional development. For more information, see <http://www.childcareservices.org/ps/wage.html>.

way of thinking about their businesses, take new approaches to old problems, and erase the *Us-vs.-Them* lines of demarcation within their own industry.

**Recommendation #6.** Westchester County DSS, coordinating with the County Board of Legislators, the County Executive, and partners outside of county government, should develop a strategic plan to decrease the “cliff effect” of moving from subsidy to self-sufficiency.

Doing its best to respond to customer requests to keep the cost of child care down for low-income families, DSS has continued to lower the parent share co-pay, which has increased the cliff effect. With new, lower co-pays proposed for 2007, a family at the higher income levels eligible for receiving subsidy for a child care in a regulated program will pay 0 percent to 10 percent of its gross income as its family share co-pay.<sup>81</sup> Then, when family income increases even \$1 above the eligibility cut-off level, these families will immediately start paying 40 to 50 percent of more of its gross income for the same child care arrangement.

The “cliff effect” is another nationwide problem that has long been at the center of the debate around mechanisms for maintaining employment of low-income families as they lose subsidy eligibility and begin to pay for child care on their own. Some states (e.g., Alaska, Minnesota and Wisconsin) have addressed it simply by raising eligibility limits (making families at higher levels of income eligible for assistance) while also gradually raising family share co-pay with increasing income levels. These combined strategies have been recommended by the national organization Zero to Three<sup>®</sup>.<sup>82</sup> The Annie E. Casey Foundation has highlighted states policies, which provide wage supplements to low-income working families or disregarding a certain percentage of earned income when calculating TANF benefits, as reducing the cliff effect families face when leaving welfare.<sup>83</sup> A similar strategy could be applied to child care subsidy benefits. In Illinois, families receiving a child care subsidy continue to receive a subsidy for one year, even if their family income is above the threshold.

Westchester County DSS, alone, may not be able to ameliorate this serious problem, although their willingness to think creatively about it and seek unusual solutions for their unusual county will provide the leadership to change it. The ultimate solution may require creative thinking, innovative ways of using public resources, and private resources, as well.

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<sup>81</sup> DSS does not calculate family co-pay as a percentage of gross income, but as a percentage of a family's income that is above the poverty level. However, a look at where this payment fits in a family's overall resource capacity is more instructive when examining what is known as the cliff effect.

<sup>82</sup> Paulsell, D., Nogales, R., & Cohen, J. (2003). Quality child care for infants and toddlers: Case studies of three community strategies. Washington, DC: Zero to Three Policy Center.

<sup>83</sup> Chun-Hoon, W. L. (2003). In support of low-income working families: State policies and local program innovations in the era of welfare reform. Baltimore, MD: The Annie E. Casey Foundation.

## **Short-Term Programmatic Changes**

While moving slow-to-shift paradigms and creating and implementing long-term strategic change in systems, short-term programmatic changes can generate early wins and motivate partners to engage for the long road ahead. The recommendations below will be relatively easy to implement and provide some amelioration to the most immediate challenges.

**Recommendation #7.** There is wide variation in child care rates around the county and as a result maximum child care reimbursement rates are too low in some parts of the county for programs to be able to accept them. Understanding the ripple effect that changing rates has on non-subsidized clients, DSS should work to set maximum child care reimbursement rates that are in better alignment with the patterns in the county. Creative, outside the current box thinking and a willingness to ask for exceptions from the state will be important ingredients in this solution.

If DSS wishes to enable more families to use higher-cost regulated care, it must offer child care programs a higher tuition reimbursement rates for parents who use the subsidy program. Average tuition rates in the County were 15 to 25 percent higher than the subsidy reimbursement rate at the time of this research, and the *range* of tuitions created a variable outcome for child care centers. In centers, the mean weekly tuition for a full week of infant care was \$306. The *top* of that range was more than \$400, and 25 programs reported infant care rates of more than \$301 per week. Thirteen centers reported tuitions of more than \$351 per week. These higher rates were in sharp contrast with the maximum weekly subsidy for an infant at a child care center of \$252. At \$375 per week tuition, the subsidy reimbursement rate of \$252 for an infant was just 67 percent of what the center would have received from an unsubsidized client.

Given that the county's mean child care center tuitions for infants, toddlers and preschoolers were \$306, \$279 and \$240, respectively, DSS should certainly increase its maximum reimbursement rates to the \$300, \$281 and \$233 levels identified in the market rate survey results reported in Attachment 2 of the state plan for federally-funded Child Care and Development Fund (CCDF) Services. These increased amounts will still seem low to the centers that charge at the highest end of the county's range, which are \$426, \$398, and \$382, respectively, for infants, toddlers and preschoolers. In response to data reports and early drafts of this report, DSS has already begun to implement some of these recommendations. The 2007 budget includes funds to increase reimbursement rates by 14 percent.

**Recommendation #8.** To better help families who truly need child care subsidy to navigate the application process, DSS must redouble focus on customer service. DSS should also develop partnerships with organizations that can reach out to families and recruit them into the subsidy system.

DSS child care subsidy program leaders state that they consider both parents and child care providers as customers, and that they are continuously seeking ways to improve their customer service. Yet, the quantitative and qualitative data of this research consistently documented that their customers do not experience this reality, especially at the front-line interface between case managers and customers. DSS could benefit greatly from continued focus on customer service for parents and from increasing its customer service orientation toward child care providers. Child care providers might, in turn, improve parent perceptions of DSS, as they become its ambassadors, extending that customer-friendly orientation beyond the DSS staff.

Currently, what complaints are made to DSS aren't all made to or compiled by one person, so the depth and breadth of problems cannot be adequately identified, nor can they be addressed well by DSS. If there is serious commitment to address the challenges child care programs and parents are facing as they interact with DSS, it should name a single point person (or a small team of such individuals) to receive feedback. However, these persons cannot be on the staff of DSS, because of the fear some programs and parents have of losing funding if they complain. Therefore, it is important for these persons to work for organizations trusted by the community. Their role would be to collect feedback about challenges programs and parents face, document the feedback when possible, respond to specific problems, and work with DSS leadership to develop solutions for consistent challenges.

It is important for DSS to have strong relationships with child care programs, not only because DSS relies on these programs to provide child care, but because child care programs are key partners in informing parents about the availability of subsidies and helping families complete the application paperwork. DSS should consider contracting with a community-based organization that would designate one point person for child care programs to contact about their problems with the subsidy system. This person would also simplify communications for DSS, as issues would come to one central place and DSS would have a specific liaison to the child care community with whom to develop solutions to any issues.

**Recommendation #9.** In concert with stakeholders outside county government, DSS should reconsider streamlining the application and re-qualification processes.

The clearest message about DSS from parents in this research is that the application process is too difficult. Nationally, states with the highest usage rates and the lowest denial rates also have the most streamlined and simplified paperwork. Certainly, there are many options for DSS to consider and, in fact, they have considered some possibilities and determined not to use them.

*The State Plan for CCDF Services for the Period 10/1/05 – 9/30/07* indicated that “Some local departments of social services are supporting demonstration efforts around facilitated enrollment.<sup>84</sup> Contracted agencies assist applicants by providing applications, information and assistance. They review completed applications and gather supportive documentation prior to passing the information on to the local department of social services for expeditious determination of eligibility.” Some child care providers informally fill this assistance role for parents, and DSS provides regular training to help them do it better. But these providers are volunteering their already scarce time to help parents; they are not contracted by DSS to provide this service. Therefore, they are not accountable for how well they do it and they are not necessarily good ambassadors for DSS. They may facilitate the parents’ process of application for child care subsidy, but this research suggests that they do not always facilitate a good relationship between parents and DSS.

A possible short-term win might include adoption of a carefully-planned model of contracted non-DSS liaisons, who serve as a buffer between case managers and their customers. A pool that includes some of the child care center directors and family child care business owners who are already facilitators of the application process could be supplemented with liaisons within the Hispanic community, specifically, and within community organizations that also serve low-income families. As DSS seeks new ways to expand their marketing of the child care subsidy program, development of these liaison organizations will have a significant impact.

Child care center directors and family child care business owners are highly motivated to facilitate the completion of an application that will repay them for services they are already providing while they wait 30 days for an eligibility determination. However, these and other non-DSS liaisons to parents need sufficient initial and continuing training in the policies and rules for the subsidy system, to better help parents with application and re-certification and to prevent unintended lapses in eligibility. They need mechanisms of accountability that come through contractual relationships. Liaisons also need more access to the process. If child care staff members and others are to be supported as effective facilitators, case managers must take the time to phone or email them about missing documentation or signatures at the same time they notify the parents, and well before it is too late to meet the deadline.

Another easy win in the application process would come if DSS simplifies the volume and complexity of language used in the application paperwork, as well as reduces the amount of supplemental documentation required. From January through August 2006, 63 percent of people who were denied subsidies in Westchester County were denied because they failed to submit the required documentation. New York State requires Westchester County to acquire

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<sup>84</sup> Facilitated enrollment is available in: the Bronx, Brooklyn, Liberty Zone in New York City, Monroe County, Albany, Rensselaer, Saratoga, Schenectady, and Oneida Counties.

12 pieces of documentation,<sup>85</sup> significantly more documentation than is required to receive federal or state financial aid to attend college and to become admitted to one of the state's colleges or universities. Westchester County DSS should explore a waiver of exemption from that state policy and adopt a more streamlined application that maintains their accountability but reduces the number of pieces of documentation needed from parents.

Parents and child care programs, alike, asserted that the quality of the service they receive is directly tied to which case manager or, in some cases, which area office, handles their case. Case managers were reported to be uncommunicative, at best (e.g., not returning phone calls or having a voice mailbox that is consistently full so that no messages may be left) and, at worst, rude and intimidating. As DSS continues its efforts to improve its customer service, consistent personnel management strategies and professional development will ensure more uniform service by its case managers.

DSS leadership should carefully examine its explicit and implicit systems of reward and penalty for caseworkers and supervisors, as well as its performance monitoring of these workers. DSS leadership should also ensure that these systems and the professional development on eligibility determination encourage inclusion of a family *whenever eligibility rules allow it*, while discouraging the “easy no” that excludes a family when a little extra effort might help them document their eligibility. They should gather and regularly review all possible data on case workers' interactions with families, their employers and their child care providers, with an immediate emphasis on employment verification and activity by the Bureau of Case Review. Data that document the alignment of the staff members' practices with the customer-service related policies should be shared regularly with other stakeholders, especially child care providers.

**Recommendation #10.** Child care facilities with significant and chronic under-enrollment should begin immediately to question their current services and programs and develop more effective approaches that better respond to the current market and their target customers. In addition to general use of accepted business planning process such as defining markets, features and benefits of services, and developing marketing plans, this strategy could include:

- *Determine whether part-day and/or part-week options* would attract more clients in the critically under-enrolled preschool age group. In this research, parents indicated that they are looking for 2-day, 3-day, or 4-day and/or half-day options. Also, “Parents Day Out” sessions might be a new approach to service delivery. If 10 or more full-time spaces are

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<sup>85</sup> Documents required include: proof of identity, proof of household composition, proof of residence in Westchester County, proof of children's age, proof of children's legal residency/citizenship status, school verification, absent parent information, wage verification or verification of self-employment, verification of unearned income, customer's work schedule, compliance with child support, and a provider form.

empty, offering Parent Day Out sessions on Monday and Wednesday, with the option of attending only one or both, could generate 40 percent of the revenue lost to leaving the spaces empty. This latter option would give a child care center a way to serve unemployed parents (or those who only need care one or two days per week) who are currently not in their customer base.

- *Determine whether different operating hours would attract more clients.* Center administrators should survey parents in their geographic area (through local major employers, perhaps, or a household survey) to determine what time parents most need to drop off and pick up their children. If program hours are not meeting local parents' needs, facilities should expand options to achieve the flexibility needed by parents.

Centers that develop these or other new programs should do so only after careful market research. Strategically planned and aggressive marketing strategies should then be used to get the word out to the customers they have targeted as a result of that research.

## **Conclusion**

In closing, it is clear that there are significant challenges in Westchester County related to child care. Addressing these challenges will require a multi-faceted approach that maximizes the resources from the many different stakeholders in the county. With the many challenges, however, comes incredible opportunity for leaders in the county to develop new solutions to meet parents' needs and ensure children have access to programs that maximize their potential.

There is no doubt that leaders within DSS can work with other stakeholders in the county to develop new solutions to meet parents' needs. A public-private partnership with an outcomes orientation and a clear plan will be able to ensure that all children, especially those from the lowest income families, have access to child care programs that maximize their potentials. Westchester County possesses a unique mix of leadership, resources, commitment and skills to tackle these challenges effectively, and is well positioned to develop innovative and entrepreneurial solutions.

**ATTACHMENT A**  
**Schedule “A” – Scope of Services from Request for Bid**

A. Why use of child care slots with NYS OCFS (Office of Children and Family Services) licensed and registered child care providers in Westchester County is not at the level anticipated, based on studies performed by the Child Care Council of Westchester, Inc. (e.g. is the cost too high? Is the quality too low? Is the location a problem?, etc.)

B. Why utilization of child care subsidies provided by the Westchester County Department of Social Services has not grown as anticipated and has begun to decline. (Westchester County does not have a waiting list for public child care subsidies.)

II. In examining the above issues, the selected researcher will need to find answers to the following questions, and any additional questions the researcher, the Department of Social Services and the Child Care Council of Westchester, Inc. determine to be necessary:

A. What are parents looking for in a child care provider?

B. Why are so many existing child care centers under-enrolled? (e.g. Is the problem affordability? Quality? Location? Lack of marketing?)

C. Where are Westchester children currently receiving child care? (including regulated child care settings, preschools, nursery schools, nannies, relatives, etc.)

D. What are parents, of all income levels, currently paying for child care in Westchester County?

E. What are these parents willing to pay for child care?

F. Are the prices charged by existing, licensed centers affordable?

G. What schedules (hours/days of week) are parents currently using/requesting child care? (e.g. early, morning, late night, extended evening, weekends, etc.)

H. Is location a key factor? If so, what is most used--centers near home? School? Employment?

I. Is transportation a barrier -- either from home to child care or from school to child care (for school-age children?)

J. Does the type of child care used vary by income? By age of child? By hours of care needed?

K. Are income-eligible parents aware that county child care subsidies are available from Westchester County?

J. If parents are eligible for subsidy, are they utilizing it?

L. If parents are eligible for subsidy and not utilizing it, why not?



M. Have parents ever applied for subsidy, and would they apply again? If not, why not?

N. Why are undocumented aliens (who may be eligible for subsidy) not applying?

O. Are child support regulations a deterrent to utilization of the child care subsidy?

P. Does "off the books" income impact the willingness of households to apply for subsidy?

**ATTACHMENT B:**  
**Survey of Families Currently Receiving a Subsidy**

May 2006

The Westchester Department of Social Services (DSS) wants your opinions about its child care subsidy program.

Your help is needed with a survey about what happened when you asked the Westchester Department of Social Services (DSS) for help paying for child care.

We know it is important to you that your opinions will be private. We are asking you to return your survey to an outside agency. They will use your opinions **ONLY** in **SUMMARY** format. We at Westchester DSS will never be able to connect your individual opinions with your name. They will be private.

It is very important that you help us with this survey. With your help, we can make improvements so that we can serve you and others better in the future.

Please take a few minutes to answer the following questions. We have also sent you an envelope that requires **NO POSTAGE**. Please place your completed survey in the envelope and drop in any mailbox.

We are using ETC Institute, a nationally known consulting firm that has conducted surveys for more than 250 cities and counties across the United States and Canada, to administer this survey and make sure that your responses remain confidential.

If you have questions, please call Renee Comfort at ETC Institute at 1-888-801-5368.

Thanks for your help!!

Sincerely yours,

The Westchester Department of Social Services (DSS) wants your opinions about its child care subsidy program. Please take a few minutes to answer the following questions. An envelope is enclosed that requires NO POSTAGE. Please place your completed survey in the envelope and drop in any mailbox.

- 1) How did you learn that Westchester County DSS might be able to pay part of the cost of your child care?  
 (1) Friend or relative told me  
 (2) Child care center or babysitter told me  
 (3) I had child care paid for where I used to live  
 (4) Employee at the County told me  
 (5) Staff at another agency told me  
 (6) Child Care Council of Westchester, Inc.  
 (7) Other \_\_\_\_\_ (please explain)
- 2) How would you describe the amount of paperwork that you had to complete?  
 (1) Less than I expected  
 (2) About what I expected  
 (3) More than I expected
- 3) Who completed the paperwork for you?  
 (1) DSS Staff member did most of it as I told them the answers  
 (2) My child care provider helped me with most of the paperwork  
 (3) I did it myself
- 4) Do you feel that the documentation that the DSS worker requested was:  
 (1) Too much. I didn't understand why I had to get so many documents.  
 (2) About right. Seemed reasonable
- 5) How would you rate the knowledge of the DSS staff person who worked with you?  
 (1) Very good  
 (2) Good  
 (3) Fair  
 (4) Poor
- 6) How would you rate the friendliness of the DSS staff person who worked with you?  
 (1) Very good  
 (2) Good  
 (3) Fair  
 (4) Poor
- 7) In what year did you *first* receive help from DSS to pay for child care?  
 (1) 2005 or 2006  
 (2) 2004  
 (3) 2003  
 (4) 2002  
 (5) 2001  
 (6) 2000 or earlier

- 8) How long did it take to get approved for child care help from DSS?  
 (1) Two weeks or less  
 (2) Three or four weeks  
 (3) Five to eight weeks  
 (4) More than two months
- 9) How long did it take to get recertified to continue receiving help paying for child care?  
 (1) Two weeks or less  
 (2) Three or four weeks  
 (3) Five to eight weeks  
 (4) More than two months  
 (5) Not applicable—have not gone through recertification process yet.
- 10) What help did your child care provider/program give you for your application to obtain help from DSS to pay for child care? [check all that apply]  
 (1) None  
 (2) Told me to go to DSS  
 (3) Went over the application with me and answered questions  
 (4) Helped me fill out the application and gather the documentation  
 (5) Reviewed the final application to make sure it was accurate and complete  
 (6) Called my DSS worker to find out the status of my application
- 11) For how many of your children, do you currently receive help from DSS to pay for child care?  
 (1) One  
 (2) Two  
 (3) Three  
 (4) Four or more
- 12) How would you rate the process to apply for help from DSS to pay for child care?  
 (1) Very easy  
 (2) Easy  
 (3) Fair  
 (4) Difficult  
 (5) Very difficult
- 13) Have you told other friends or relatives about how the county can pay part of the cost of child care?  
 (1) Yes, I told them positive things  
 (2) Yes, I told them negative things  
 (3) No
- What did you tell them? \_\_\_\_\_
- 14) Do you receive help to pay for child care through DSS for ALL your children UNDER age 13?  
 (1) Yes  
 (2) No [why not? \_\_\_\_\_]

15) What is ONE recommendation you would make to improve the process for applying for help from DSS to pay for child care?

\_\_\_\_\_

16) Did receiving help from DSS to pay for child care make it possible for you to improve the quality of your child care arrangements?

\_\_\_(1) Yes How? \_\_\_\_\_

\_\_\_(2) No

17) Have you changed your approved hours for child care for some reason (like changed work schedule)?

\_\_\_(1) Yes and it was very easy

\_\_\_(2) Yes and it was very difficult

\_\_\_(3) Tried to do so, but was not approved

\_\_\_(4) No

The following information about you will help us understand needs of county residents. This information about you is private. Your information will never be connected to you as an individual. It will only be reported as part of a summary about everyone who fills out a survey.

18) What type(s) of transportation do you use to take your child to your child care provider?

\_\_\_(1) Walk

\_\_\_(2) Public transportation

\_\_\_(3) Drive in my car

\_\_\_(4) Friend or relative drives them in their car

19) Which of the following BEST describe you? [Check all that apply]

\_\_\_(1) Black/African American

\_\_\_(2) Asian

\_\_\_(3) Hispanic

\_\_\_(4) White

\_\_\_(5) Other: \_\_\_\_\_

20) Which ONE of these communities do you live in OR live closest to?

\_\_\_(01) Mount Kisco

\_\_\_(02) Mount Vernon

\_\_\_(03) New Rochelle

\_\_\_(04) Ossining

\_\_\_(05) Peekskill

\_\_\_(06) Port Chester

\_\_\_(07) White Plains

\_\_\_(08) Yonkers

**Thank you for your time and cooperation!**

When you are finished, please place your survey in the enclosed envelope addressed to ETC Institute, 725 W Frontier, Olathe KS 66061. You DO NOT need a stamp.

**ATTACHMENT C**  
**Survey of Families Denied a Subsidy**

May 2006

The Westchester Department of Social Services (DSS) wants your opinions about its child care subsidy program.

Your help is needed with a survey about what happened when you asked the Westchester Department of Social Services (DSS) for help paying for child care. We realize that you were told that DSS could not help you pay for child care. We want to learn what you did about child care after you were not able to get help from DSS to pay for child care.

We know that it is important to you that your opinions will be private. We are asking you to return your survey to an outside agency. They will use your opinions **ONLY** in **SUMMARY** format. We at Westchester DSS will never be able to connect your individual opinions with your name. They will be private.

It is very important that you help us with this survey. With help from our past applicants, we can make improvements so that we can serve you and others better in the future.

Please take a few minutes to answer the following questions. We have sent you an envelope that requires **NO POSTAGE**. Please place your completed survey in the envelope and drop in any mailbox.

We are using ETC Institute, a nationally known consulting firm that has conducted surveys for more than 250 cities and counties across the United States and Canada, to administer this survey and make sure that your responses remain confidential.

If you have questions, please call Renee Comfort at ETC Institute at 1-888-801-5368.

Thanks for your help!!

Sincerely yours,

The Westchester Department of Social Services (DSS) wants your opinions about its child care subsidy program. Please take a few minutes to answer the following questions. An envelope is enclosed that requires NO POSTAGE. Please place your completed survey in the envelope and drop in any mailbox.

- 1.) How did you learn that Westchester County DSS might be able to pay part of the cost of your child care?  
 (1) Friend or relative told me  
 (2) Child care center or babysitter told me  
 (3) I had child care paid for where I used to live  
 (4) Employee at the County told me  
 (5) Staff at another agency told me  
 (6) Child Care Council of Westchester, Inc.  
 (7) Other \_\_\_\_\_ (please explain)
- 2) How would you describe the amount of paperwork that you had to complete?  
 (1) Less than I expected  
 (2) About what I expected  
 (3) More than I expected
- 3) Who completed the paperwork for you?  
 (1) DSS Staff member did most of it as I told them the answers  
 (2) My child care provider helped me with most of the paperwork  
 (3) I did it myself
- 4) How would you rate the knowledge of the DSS staff person who worked with you?  
 (1) Very good  
 (2) Good  
 (3) Fair  
 (4) Poor
- 5) How would you rate the friendliness of the DSS staff person who worked with you?  
 (1) Very good  
 (2) Good  
 (3) Fair  
 (4) Poor
- 6) How long would you estimate the process took for you to receive a letter denying you help to pay for child care?  
 (1) Two weeks or less  
 (2) Three or four weeks  
 (3) Five to eight weeks  
 (4) More than two months
- 7) How many children do you have under age 13? \_\_\_\_\_  
What are their ages? \_\_\_\_\_

- 8) Are you employed outside the home?  
 (1) Yes  
 (2) No
- 9) How many hours do you work outside the home each week?  
 \_\_\_\_\_ hours
- 10) If you are employed, who watches your children while you work? You may be using more than one source of help, so please mark all that you use.  
 (01) Friend or neighbor  
 (02) Relative  
 (03) Registered or Licensed child care provider in her home  
 (04) Child care center  
 (05) Head Start program  
 (06) Public school  
 (07) Nursery school  
 (08) Children take care of themselves  
 (09) Community center, club, church or other activity type place  
 (10) Use before or after school program  
 (11) Other: \_\_\_\_\_
- 11) If you are NOT employed, what is the primary reason? If more than one reason applies to you, please check all that do apply to you.  
 (1) Could not locate a job  
 (2) Available jobs required me to work after 5:00 and I could not find child care after 5:00  
 (3) Available jobs required me to work Saturdays or Sundays and I could not find child care  
 (4) Child has special needs and could not find child care  
 (5) Wages from jobs I can get won't cover child care and other expenses;  
 I could not find child care that I could afford to pay for  
 (6) Decided to go to school  
 (7) I cannot afford child care if I find a daytime job.
- 12) How would you rate the process to apply for help from DSS to pay for child care?  
 (1) Very easy  
 (2) Easy  
 (3) Fair  
 (4) Difficult  
 (5) Very difficult
- 13) Have you told other friends or relatives about how the county can pay part of the cost of child care?  
 (1) Yes, I told them positive things  
 (2) Yes, I told them negative things  
 (3) No  
 What did you tell them? \_\_\_\_\_
- 14) What is ONE recommendation you would make to improve the process for applying for help from DSS to pay for child care?  
 \_\_\_\_\_

Please turn to the back page!

The following information will help us understand specific needs of our county residents. This



information about you is private. Your information will never be connected to you as an individual. It will only be reported as part of a summary about everyone who fills out a survey.

- 15) If you use a child care provider, what type(s) of transportation do you use to take your child to your child care provider?
- (1) Walk
  - (2) Public transportation
  - (3) Drive in my car
  - (4) Friend or relative drives them in their car
- 16) Which of the following BEST describes you? [Check all that apply]
- (1) Black/African American
  - (2) Asian
  - (3) Hispanic
  - (4) White
  - (5) Other: \_\_\_\_\_
- 17) I live in or closest to the following community:
- (01) Mount Kisco
  - (02) Mount Vernon
  - (03) New Rochelle
  - (04) Ossining
  - (05) Peekskill
  - (06) Port Chester
  - (07) White Plains
  - (08) Yonkers

**Thank you for your time and cooperation!**

When you are finished, please place your survey in the enclosed envelope addressed to ETC Institute, 725 W Frontier, Olathe KS 66061. You DO NOT need a stamp.

**ATTACHMENT D:  
Survey of Family Child Care Providers**

May 2006

Dear Family Child Care Provider:

The Westchester County Department of Social Services wants to improve child care in Westchester County. To do this we need your help. Providing quality and affordable child care to residents of Westchester County and playing an appropriate role in supporting you is the goal.

Enclosed you will find a survey so that you can describe your child care facility. We are asking that you return your survey to an outside agency, ETC Institute, which will use your opinions **ONLY IN SUMMARY** format. No names will be used. Westchester DSS staff will never know that you returned the survey or what information you provided

Please take a few minutes to complete the survey. An envelope that requires **NO POSTAGE** is enclosed for your convenience.

We are using ETC Institute, a nationally known consulting firm that has conducted surveys for more than 250 cities and counties across the United States and Canada, to administer this survey and make sure that your responses remain confidential.

If you have questions, please call Renee Comfort at ETC Institute at 1-888-801-5368.

Thanks for your help!!

Sincerely yours,

**Westchester County**  
**SURVEY OF FAMILY CHILD CARE PROVIDERS**

Thank you for filling out this survey. Please answer each question as completely as possible. If a question does not apply to you please indicate by writing NA next to the question. Your answers to the survey questions are strictly confidential and cannot be tied to your program in any way.

**PROGRAM INFORMATION**

1. Is your program (check one): \_\_\_(1)Licensed \_\_\_(2) Registered \_\_\_(3) Don't Know
2. Are you a Family Child Care or a Group Family Day Care? (Please circle one.)
3. Are you accredited by the National Association for Family Child Care? YES NO
4. How many children are you licensed to care for? \_\_\_\_\_
5. How many of these spaces were full as of the week of April 25, 2006? \_\_\_\_\_
6. How many of these spaces would you like to have full? \_\_\_\_\_
7. How many children do you care for on a part-time basis? \_\_\_\_\_
8. What types of other early care and education programs do the children enrolled in your program on a part-time basis participate in? (check all that apply).  
  
\_\_\_(1) Public school pre-K  
\_\_\_(2) Public school K-6  
\_\_\_(3) Nursery school  
\_\_\_(4) Head Start  
\_\_\_(5) Child Care Center  
\_\_\_(6) None of the part-time children using my care participate in other programs.
9. Do you participate in the Child and Adult Care Food Program? \_\_\_(1)Yes \_\_\_(2) No
10. Do you accept children whose fees are paid by Westchester County Department of Social Services?  
  
\_\_\_(1) Yes [if yes] How many children who receive DSS subsidies do you currently have enrolled now? \_\_\_\_\_#  
\_\_\_(2) No
11. Please list the prices you charge for a full week of full-time-day care for:  
  
Infants \$ \_\_\_\_\_ Toddlers \$ \_\_\_\_\_ Preschoolers  
\$ \_\_\_\_\_  
(Under age 1 ½) (Ages 1 ½ to 2) (Ages 3 to 5)

12. Please list the prices you charge for a part day of care (3 hours) for:

Infants \$ \_\_\_\_\_ Toddlers \$ \_\_\_\_\_ Preschoolers \$ \_\_\_\_\_  
(Under age 1 ½) (Ages 1 ½ to 2) (Ages 3 to 5)

13. If you care for school-age children, what do you charge for both before and after school care, per week?

\$ \_\_\_\_\_ per week for both before and after school care

14. What is the earliest time that parents can bring a child to your home? \_\_\_\_\_

15. What is the latest time that parents can pick up a child from your home? \_\_\_\_\_

16. Do you provide child care during the evenings or on weekends?

- \_\_\_(1) Evenings  
\_\_\_(2) Weekends  
\_\_\_(3) Not during evenings or weekends

**EDUCATION AND TRAINING:**

17. Please check the highest level of education you have completed.

- 1)  Less than a high school diploma  
2)  High school diploma or GED  
3)  Some college courses  
4)  Associate Degree  
5)  Bachelor Degree  
6)  Graduate Degree

18. Please check the highest level of education in **early childhood studies** you have finished.

- 1)  None  
2)  Some college courses in Early Childhood  
3)  Child Development Associate Credential (CDA)  
4)  One year certificate in Early Childhood  
5)  Associate Degree in Early Childhood  
6)  Bachelor Degree in Early Childhood  
7)  Graduate Degree in Early Childhood  
8)  Other \_\_\_\_\_

19. How many college credit hours of child care coursework did you complete in the past 12 months? \_\_\_\_\_ hours

20. How many clock hours of non-credit child care training did you complete in the past 12 months? \_\_\_\_\_ hours

21. Are you currently pursuing a degree in **early childhood studies**?

- \_\_\_(1) Yes (please describe): \_\_\_\_\_  
\_\_\_(2) No

22. Are you currently pursuing a CDA? \_\_\_(1) Yes \_\_\_(2) No

23. From the list below, please check the degree to which each would be a concern you have.

	Major Concern	Somewhat of a Concern	Not a Concern
a. Finding money for improvements to your family child care programs/home	1	2	3
b. Meeting basic expenses such as rent & utilities	1	2	3
c. Meeting state licensing requirements	1	2	3
d. Being adequately compensated for your work	1	2	3
e. Finding substitute staff if you are sick or go on vacation	1	2	3
f. Business management (budgeting and accounting)	1	2	3
g. Having health benefits	1	2	3
h. Having retirement benefits	1	2	3
i. Having disability benefits	1	2	3
j. Meeting accreditation requirements	1	2	3
k. Finding money for training	1	2	3
l. Finding quality training	1	2	3
m. Getting DSS subsidy payments in a timely manner	1	2	3
n. Reconciling subsidy payments (checking to be sure that I get paid the correct amount for the children I serve)	1	2	3
o. Enrolling enough children to be full to capacity	1	2	3
p. Advertising my services to families and recruiting new children	1	2	3
q. Collecting parent fees in full and on time	1	2	3

24. Please check all of the benefits that you have provided for yourself through your business.

- |   |  |   |
|---|--|---|
| 1) <input type="checkbox"/> Paid sick leave       | 4) <input type="checkbox"/> Paid vacation              | 7) <input type="checkbox"/> Cost of living adjustments  |
| 2) <input type="checkbox"/> Life insurance        | 5) <input type="checkbox"/> Pension or retirement plan | 8) <input type="checkbox"/> Other please specify: _____ |
| 3) <input type="checkbox"/> Time off for training | 6) <input type="checkbox"/> Health insurance coverage  | 0) <input type="checkbox"/> None                        |

25. Please list your ZIP code. \_\_\_\_\_

26. Which community are you in or closest to?

- \_\_\_(01) Mount Kisco
- \_\_\_(02) Mount Vernon
- \_\_\_(03) New Rochelle
- \_\_\_(04) Ossining
- \_\_\_(05) Peekskill
- \_\_\_(06) Port Chester
- \_\_\_(07) White Plains
- \_\_\_(08) Yonkers

27. Below or on an additional sheet of paper please provide any other comments or concerns you have that may help us in our study.

**THANK YOU FOR YOUR PROMPT RESPONSE!!! -Please return the completed survey in the POSTAGE PAID self addressed stamped envelope to ETC Institute, 725 W Frontier, Olathe KS 66061.**

**ATTACHMENT E**  
**Survey of Child Care Centers and Preschools**

May 2006

Dear Child Care Center or Preschool Director:

The Westchester County Department of Social Services wants to improve child care and preschool services in Westchester County. To do this we need your help. Providing quality and affordable child care to residents of Westchester County and playing an appropriate role in supporting you is the goal.

Enclosed you will find a survey so that you can describe your child care/preschool facility. We are asking that you return your survey to an outside agency, ETC Institute, which will use your opinions **ONLY IN SUMMARY** format. No names will be used. Westchester DSS staff will never know that you returned the survey or what information you provided

Please take a few minutes to complete the survey. An envelope that requires **NO POSTAGE** is enclosed for your convenience.

We are using ETC Institute, a nationally known consulting firm that has conducted surveys for more than 250 cities and counties across the United States and Canada, to administer this survey and make sure that your responses remain confidential.

If you have questions, please call Renee Comfort at ETC Institute at 1-888-801-5368.

Thanks for your help!!

Sincerely yours,



7b. What was your average subsidized enrollment during the first 3 months of 2006? \_\_\_\_\_

8. Do you receive Head Start funding? \_\_\_\_\_(1) Yes \_\_\_\_\_(2) No

9. Do you receive state PreK funding? \_\_\_\_\_(1) Yes \_\_\_\_\_(2) No

10. Do you receive funding from a private or community foundation?

\_\_\_\_(1) Yes

\_\_\_\_(2) No

11. Do you receive funding from any other public or private source?

\_\_\_\_(1) Yes

\_\_\_\_(2) No

[if yes] please provide name of organization: \_\_\_\_\_

12. If your program is a child care center, please list the prices you charge for a full week of full time-day care for:

Infants \$ \_\_\_\_\_ Toddlers \$ \_\_\_\_\_ Preschoolers

\$ \_\_\_\_\_ (Under age 1 ½) (Ages 1 ½ to 2) (Ages 3 to 5)

13. If you care for school-age children, what do you charge for both before and after school care, per week?

\$ \_\_\_\_\_ per week for both before and after school care

14. A) If your program is a preschool, what do you charge for three hours for two days?

\$ \_\_\_\_\_

B) If your program is a preschool, do you provide any extended day/wrap around service?

\_\_\_\_(1) Yes \_\_\_\_\_(2) No

15. A) What is the earliest time that parents can bring a child to your program?

\_\_\_\_\_

B) What is the latest time that parents can pick up a child from your program?

\_\_\_\_\_

16. Do you offer any incentives to parents to enroll in your program? [check all that apply]

\_\_\_\_(1) Discounted fees for siblings

\_\_\_\_(2) Discounts for prompt payments

\_\_\_\_(3) Employee discount

\_\_\_\_(4) Other: \_\_\_\_\_



**STAFFING INFORMATION**

17.) For each of the following administrative functions, who handles the functions for your facility? Please indicate with a checkmark whether it is the Director, another paid staff person or a contracted company/individual.

	<b><u>Director</u></b>	<b><u>Other staff</u></b>	<b><u>Contractor</u></b>
a.) Collecting fees .....	_____	_____	_____
b.) Sending out bills .....	_____	_____	_____
c.) Submitting Child and Adult Care Food Program receipts .....	_____	_____	_____
d.) Recording accounts receivable/payable .....	_____	_____	_____
e.) Processing DSS paperwork for child care subsidy .....	_____	_____	_____
f.) Tracking enrollment.....	_____	_____	_____
g.) Recruiting new children when vacancies occur .....	_____	_____	_____
h.) Recruiting new staff.....	_____	_____	_____
	<b><u>Director</u></b>	<b><u>Other staff</u></b>	<b><u>Contractor</u></b>
i.) Training/orienting new staff .....	_____	_____	_____
j.) Supervising classroom teachers .....	_____	_____	_____
k.) Ordering supplies and equipment .....	_____	_____	_____
l.) Meeting with prospective parents and completing enrollment paperwork .....	_____	_____	_____
m.) Addressing parent questions/concerns about billing.....	_____	_____	_____
n.) Addressing parent questions/concerns about program.....	_____	_____	_____
o.) Responding to children with challenging behaviors.....	_____	_____	_____

**Staff Positions** (For the next question, please refer to the staff definitions listed below.)

<b>Aides:</b> - Assist in the care and education of children under direct supervision.
<b>Assistant Teachers:</b> - Carry out program activities under the supervision of a teacher and share responsibility for the care and education of a group of children.
<b>Teachers:</b> - Responsible for the care and education of a group of children.
<b>Teacher Directors:</b> - Responsible for the care and education of one or more groups of children, supervising other staff, and some management tasks (see Directors, below).
<b>Directors:</b> - Responsible for the management of the program, including: recruitment and hiring; supervising employees; budgeting and financial management.

18. Please provide the total number of all full-time and part-time paid staff that you employ:

	<u>Number of Full Time</u>	<u>Number of Part Time</u>
Aides	_____	_____
Assistant Teachers	_____	_____
Teachers	_____	_____
Teacher Directors	_____	_____
Directors	_____	_____

19 . What are the highest levels of education completed by the paid teaching staff in your program?

Please write in the number of individuals at each level.

- |                                    |       |                     |       |
|------------------------------------|-------|---------------------|-------|
| a) Less than a high school diploma | _____ | d) Associate Degree | _____ |
| b) High school diploma or GED      | _____ | e) Bachelor Degree  | _____ |
| c) Some college courses            | _____ | f) Graduate Degree  | _____ |

20. What are the highest levels of education in **early childhood development** completed by the paid teaching staff in your program? Please write in the number of individuals at each level.

- |  |       |  |       |
|--|-------|--|-------|
| a) None                                    | _____ | e) Associate Degree in Early Childhood | _____ |
| b) Some Early Childhood college courses    | _____ | f) Bachelor Degree in Early Childhood  | _____ |
| c) Child Development Associate (CDA)       | _____ | g) Graduate Degree in Early Childhood  | _____ |
| d) One year certificate in Early Childhood | _____ |  |       |

21. How many of your paid teaching staff are currently pursuing a degree in **early childhood development**? \_\_\_\_\_ # Don't know how many are doing so

22. How many of your paid teaching staff are currently pursuing a CDA? \_\_\_\_\_ # Don't know how many are doing so

23. Did you have to reduce the center's paid teaching staff during the past 12 months because of reductions in enrollment and budgetary concerns? \_\_\_\_ (1) Yes \_\_\_\_ (2) No

If yes, how many staff were let go? \_\_\_\_\_ #

24. In the last 12 months, have you consulted any of the following organizations to help you plan for your program? [check all that you have used]

- \_\_\_\_ (1) County planning department
- \_\_\_\_ (2) Municipal planning department
- \_\_\_\_ (3) Child Care Council of Westchester
- \_\_\_\_ (4) United Way Community Needs Assessment
- \_\_\_\_ (5) Westchester County Department of Social Services
- \_\_\_\_ (6) New York State Office of Children and Family Services

25. Have you developed or updated any of the following within the last 12 months? (Please check all that apply.)

- \_\_\_\_ 01) Mission
- \_\_\_\_ 02) Plan for ideal leadership and staffing pattern
- \_\_\_\_ 03) Plans for partnerships and alliances
- \_\_\_\_ 04) Definition of your market
- \_\_\_\_ 05) Definition of your targeted customers
- \_\_\_\_ 06) Description of the features and benefits of your products/services
- \_\_\_\_ 07) Marketing plans to make your products/services visible to potential customers
- \_\_\_\_ 08) Definition of your territory and potential reach
- \_\_\_\_ 09) Outline of your operations (e.g., policies and procedures)
- \_\_\_\_ 10) Changes in program (i.e., new infant class or extended hours)
- \_\_\_\_ 11) Projected financials for next five years
- \_\_\_\_ 12) Plans for growth
- \_\_\_\_ 13) Budget projections
- \_\_\_\_ 14) Exit or transition strategy

**CONCERNS AND COMMENTS:** *This information helps the community understand the resources and needs of providers. We ask for a Zip code to track the availability of care only. All information is strictly confidential.*

26. Please list the ZIP code where your program is located \_\_\_\_\_

27. From the list below, please check the degree to which each would be a concern you have as a child care center or preschool director. (1 being a major concern and 3 not a concern).  
[please circle your answer]

	<b>Major Concern</b>	<b>Somewhat a Concern</b>	<b>Not a Concern</b>
a. Finding money for program/facility improvements	1	2	3
b. Meeting basic expenses such as rent & utilities	1	2	3
c. Meeting state licensing requirements	1	2	3
d. Meeting accreditation requirements	1	2	3
e. Recruiting/screening/hiring qualified staff	1	2	3
f. Finding and keeping qualified staff	1	2	3
g. Concerns that some of your staff may need more training in child development	1	2	3
h. Finding temporary staff/substitutes	1	2	3
i. Budgeting and accounting assistance	1	2	3
j. Offering competitive wages	1	2	3
k. Offering health benefits	1	2	3
l. Offering retirement benefits	1	2	3
m. Meeting fire, health or safety codes	1	2	3
n. Finding money for staff training	1	2	3
o. Finding quality training for staff	1	2	3
p. Getting DSS subsidy payments in a timely manner	1	2	3
q. Reconciling subsidy payments (checking to be sure you get the correct amount for children served)	1	2	3
r. Enrolling enough children to be full to capacity	1	2	3
s. Collecting parent fees (or co-payments) in full and on time	1	2	3
t. Other: _____	1	2	3

28. Do you make it possible for parents to pay their fees by any of the following methods?  
[please check all that you use]:

- \_\_\_(1) Credit card
- \_\_\_(2) Debit card
- \_\_\_(3) Automatic transfer from their bank account
- \_\_\_(4) Do not use any of these methods

29. In your last fiscal year, how much, if any, uncollected parent fees did you write off?  
\$ \_\_\_\_\_

30. In your last fiscal year, did you:
- (1) Make a profit
  - (2) Break even
  - (3) Run a deficit
31. How do you currently market your products and services to your potential clients? Please mark all that apply:
- 1) Brochures/flyers displayed in community settings
  - 2) Direct mailings to targeted potential customers (How often? \_\_\_\_\_)
  - 3) Ads in local newspapers (How often? \_\_\_\_\_)
  - 4) In the referral database at Child Care Council of Westchester
  - 5) Workshops/informational meetings at area employers
  - 6) Billboards (How many? \_\_\_\_\_ For what length of time? \_\_\_\_\_)
  - 7) Radio ads (Frequency \_\_\_\_\_ Station(s) airing ad: \_\_\_\_\_)
  - 8) TV ads (Frequency \_\_\_\_\_ Station(s) airing ad: \_\_\_\_\_)
  - 9) Other (please explain) \_\_\_\_\_
32. Do you provide child care during the evenings or on weekends?
- (1) Evenings
  - (2) Weekends
  - (3) Not during evenings or weekends
33. A) To your certain knowledge, how many previously enrolled parents who received subsidy withdrew their children from your center/preschool because they were unwilling to provide information to DSS for pursuit of child support payments and would no longer be receiving subsidy? \_\_\_\_\_ #
- B) How many do you believe left for that reason, in addition to the number above? \_\_\_\_\_ #
34. Which community are you in or closest to?
- (01) Mount Kisco
  - (02) Mount Vernon
  - (03) New Rochelle
  - (04) Ossining
  - (05) Peekskill
  - (06) Port Chester
  - (07) White Plains
  - (08) Yonkers
35. Use the space below to provide any other comments or concerns you have that may help us in our study.

**THANK YOU FOR YOUR PROMPT RESPONSE!!!**

**-Please return the completed survey in the self addressed stamped envelope to:**

**ETC Institute, 725 W Frontier, Olathe KS 66061**

ATTACHMENT F  
Westchester County PARENT SURVEY

1. How many people live in your household? \_\_\_\_\_
2. How many children in your household are under the age of 13? \_\_\_\_\_  
[IF YOU HAVE NO CHILDREN UNDER AGE 13, DO NOT DO SURVEY.]
- [IF YOU HAVE AT LEAST ONE CHILD UNDER AGE 13, PLEASE CONTINUE]

3. Do your children under age 13 regularly spend any part of their day alone or with someone other than you or another parent?
- \_\_\_(1) No [please to skip to Q13]
- \_\_\_(2) Yes [please answer Q4 ]

4. If yes, when your children are not with you or in school (kindergarten through 6<sup>th</sup> grade), where is each child? For each child under age 13, please CHECK below ALL the ways you care for that child. [If you have more than 6 children under age 13, please provide the information for your 6 youngest children.]

	<u>Child 1</u>	<u>Child 2</u>	<u>Child 3</u>	<u>Child 4</u>	<u>Child 5</u>	<u>Child 6</u>
Age of Child	_____	_____	_____	_____	_____	_____
Full-time child care center	_____	_____	_____	_____	_____	_____
Part-time child care center	_____	_____	_____	_____	_____	_____
Public School Prekindergarten Program	_____	_____	_____	_____	_____	_____
Private, part-day preschool or nursery school	_____	_____	_____	_____	_____	_____
Head Start	_____	_____	_____	_____	_____	_____
Licensed family child care (in provider's home)	_____	_____	_____	_____	_____	_____
Nanny or babysitter in my home	_____	_____	_____	_____	_____	_____
Before and/or after school program at school	_____	_____	_____	_____	_____	_____
Before and/or after school program not at school	_____	_____	_____	_____	_____	_____
Grandparents	_____	_____	_____	_____	_____	_____
Other relative or friend	_____	_____	_____	_____	_____	_____
Older children care for younger	_____	_____	_____	_____	_____	_____
Child takes care of self	_____	_____	_____	_____	_____	_____

5. What hours do you need another adult, other than you or another parent, to be with your children? [check all that you need]
- \_\_\_(1) Not applicable, child(ren) can be left alone (if this is your answer, skip to Question 9)
- \_\_\_(2) 7 am- 6 pm, Monday-Friday
- \_\_\_(3) Mornings only Monday-Friday
- \_\_\_(4) Afternoons only Monday-Friday
- \_\_\_(5) Before 7 am, Monday-Friday
- \_\_\_(6) After 6 pm, Monday-Friday
- \_\_\_(7) Weekends
- \_\_\_(8) Varies because my work schedule changes week to week
- How does it vary? \_\_\_\_\_

6. How did you find your current arrangements for your children? Mark all that you used to find your current arrangements
- (01) Phone book
  - (02) Marketing materials about child care programs
  - (03) From my employer
  - (04) Child Care Council of Westchester
  - (05) Westchester County Department of Social Services
  - (06) Internet
  - (07) Secretary or teacher at my child's school
  - (08) A friend or neighbor
  - (09) A co-worker
  - (10) Church, synagogue, other place of worship
  - (11) Other \_\_\_\_\_

7. From the list below, select the FOUR FACTORS MOST IMPORTANT to you in selecting your current arrangements for your children. Use the letters by each factor to select your top 4 choices.

- |  | <u>1<sup>st</sup></u> | <u>2<sup>nd</sup></u> | <u>3<sup>rd</sup></u> | <u>4<sup>th</sup></u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| A) Location - close to home  |                       |                       |                       |                       |
| B) Location – close to work  |                       |                       |                       |                       |
| C) Child happy in program  |                       |                       |                       |                       |
| D) A small number of children in the same class, group or home   |                       |                       |                       |                       |
| E) Cost  |                       |                       |                       |                       |
| F) Program accepted Westchester County Department of Social Services payments for the Child Care Subsidy program |                       |                       |                       |                       |
| G) A caregiver who is a relative or family member  |                       |                       |                       |                       |
| H) Quality of program  |                       |                       |                       |                       |
| I) Training/education of caregivers  |                       |                       |                       |                       |
| J) Knowledge of caregivers about children  |                       |                       |                       |                       |
| K) How my child and I were treated when we visited   |                       |                       |                       |                       |
| L) Heard good things about the program from other parents  |                       |                       |                       |                       |
| M) National accreditation  |                       |                       |                       |                       |
| N) Activities offered to children during the day   |                       |                       |                       |                       |
| O) Open the hours I need child care  |                       |                       |                       |                       |
| P) Had used program for another child  |                       |                       |                       |                       |
| Q) Able to handle special needs of child<br>(please list special needs) _____                                    |                       |                       |                       |                       |
| R) Other _____   |                       |                       |                       |                       |

8. Please provide what you pay for child care (including preschool and before/after school care) for each child and how many hours each child is in child care, preschool or before/after school care. Think in terms of a typical week. [If you have more than 6 children under age 13, please provide the information for your 6 youngest children.]

	<u>Child 1</u>	<u>Child 2</u>	<u>Child 3</u>	<u>Child 4</u>	<u>Child 5</u>	<u>Child 6</u>
<u>Age</u> of Child	_____	_____	_____	_____	_____	_____
Total <u>hours</u> per week in child care * (September through May)	_____	_____	_____	_____	_____	_____
Weekly amount <u>paid</u> for child care (September through May)*	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total <u>hours</u> per week in child care (Summer)*	_____	_____	_____	_____	_____	_____
Weekly amount <u>paid</u> for child care (Summer)*	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

*\* Please include all child care, nursery school and before/after school care*

9. In the last 12 months have you changed any of these arrangements for any of your children?

\_\_\_(1) Yes    \_\_\_(2)            No

9b. If yes, what was your primary reason for changing these arrangements?

- \_\_\_(01) Child unhappy in program
- \_\_\_(02) Parent unhappy with program
- \_\_\_(03) Parent changed job or schedule
- \_\_\_(04) Program too expensive
- \_\_\_(05) Family moved
- \_\_\_(06) Program/provider stopped offering care
- \_\_\_(07) School year started/ended
- \_\_\_(08) Transportation/location
- \_\_\_(09) Application to Westchester Department of Social Services  
for child care subsidy was denied
- \_\_\_(10) Other \_\_\_\_\_

10. If you COULD change to a new child care arrangement now, would you?

- \_\_\_(1) Definitely yes
- \_\_\_(2) Probably yes
- \_\_\_(3) Maybe
- \_\_\_(4) Probably not
- \_\_\_(5) Definitely not

11. What ONE thing about your primary child care arrangement would you MOST like to change?

\_\_\_\_\_

12. What ONE thing about your primary child care arrangement do you MOST like?

\_\_\_\_\_

13. If you could have the child care arrangements that you most wanted, what would be your top THREE Preferences. Use the letters by each option below to show your three selections.

\_\_\_\_\_   
Top choice

\_\_\_\_\_   
2<sup>nd</sup> choice

\_\_\_\_\_   
3<sup>rd</sup> choice

- (A) Full-day child care center
- (B) Child care provider available during flexible hours (including early mornings, nights and/or weekends)
- (C) Licensed family child care in someone's home
- (D) Pre kindergarten program in my local public school
- (E) Nursery school in a place of worship
- (F) Nanny who comes to my home to care for my children each day
- (G) Relative or friend who cares for my children each day
- (H) Part-day, structured early childhood program each morning and then a nanny to care for my children in the afternoon
- (I) Part-day, structured early childhood program each morning and then a relative or friend to care for my children in the afternoon
- (J) Part-day, 2 to 3 days a week

14. If you could have the child care arrangements you just selected, how much would you be

willing to pay for it each week? [Tell us the maximum you'd pay for ALL of your children per week.]

- |   |  |
|---|--|
| <input type="checkbox"/> (1) \$50 or less   | <input type="checkbox"/> (5) \$376 to \$500  |
| <input type="checkbox"/> (2) \$51 to \$100  | <input type="checkbox"/> (6) \$501 to \$625  |
| <input type="checkbox"/> (3) \$101 to \$250 | <input type="checkbox"/> (7) More than \$625 |
| <input type="checkbox"/> (4) \$251 to \$375 |  |

15. Do you and/or your spouse/partner work outside the home?
- (1) Yes, we both work outside the home
- (2) Yes, one of us works and one stays at home with the children
- (3) No, no one in our household is employed outside the home [Skip to Question 20]

16. If you ARE employed, how many hours do you work each week? \_\_\_\_\_ hours per week

17. What type of work schedules do you and your spouse/partner have? [please check one response for you and one for your spouse/partner (if you have one)]

	<u>Myself</u>	<u>Spouse/partner</u>
One full-time day job	_____	_____
One or more part-time day jobs	_____	_____
Evening full-time job	_____	_____
One or more part-time evening jobs	_____	_____
Weekends (Saturday and/or Sunday)	_____	_____

18. Does your or your spouse's employer provide any of the following? [Please check all that are provided]
- |  | <u>Myself</u> | <u>Spouse/partner</u> |
|--|---------------|-----------------------|
|--|---------------|-----------------------|

(01) On-site child care or early education	_____	_____
(02) Paid leave to care for family members	_____	_____
(03) Unpaid leave to care for family members	_____	_____
(04) Ability to use sick leave days to care for family members	_____	_____
(05) Part-time work with benefits	_____	_____
(06) Part-time work without benefits	_____	_____
(07) Flexible work hours	_____	_____
(08) Pre-tax income set aside to pay for child care/early education	_____	_____
(09) Additional salary to pay for child care or early education	_____	_____
(10) Vouchers to pay for child care or early education	_____	_____
(11) Dependent care assistance from employer (you need to give your provider your social security number to receive this)	_____	_____
(12) Other _____	_____	_____

19. Which ONE of the following BEST describes your job?

- (01) Manager
- (02) Professional (e.g., teacher, doctor)
- (03) Business and financial specialist
- (04) Scientist or technician
- (05) Healthcare support
- (06) Construction, Maintenance and repair
- (07) Office and administrative support
- (08) Sales and service
- (09) Food or hotel support
- (10) Transportation
- (11) Other: \_\_\_\_\_



20. If you or your spouse/partner are NOT employed, what is the primary reason? Check all that apply
- (1) Could not locate a job
  - (2) Choose to stay at home and care for my own children
  - (3) Available jobs required me to work after 5:00 and I could not find child care after 5:00
  - (4) Available jobs required me to work Saturdays or Sundays and I could not find child care
  - (5) Child has special needs and could not find child care
  - (6) Wages from jobs I can get won't cover child care and other expenses; I could not find child care that I could afford
  - (7) There are no friends or relatives who will help me with childcare
21. Have you ever used, received or applied for a child care/early education financial assistance from any of the following? Please check All that apply.
- (01) Westchester County Sally Zeigler Scholarship Program (Child Care Council)
  - (02) Westchester County Child Care Council Scholarship Program
  - (03) Child care subsidy from the Westchester County Department of Social Services
  - (04) Child care scholarship from the child care or preschool program that your child attends
  - (05) Child care/early education scholarship program from your place of worship
  - (06) Child care/early education scholarship from a local civic organization
  - (07) Child's grandparents or other family member helps pay for child care/early education expenses
  - (08) Child care/early education scholarship from my employer
  - (09) Dependence Care Assistance Plan (pretax set aside) established by employer
  - (10) I use the Federal and State Dependent Care Tax Credit
22. Have you ever applied to the Westchester County Department of Social Services for help with child care costs?
- (1) Yes and currently receive help (please answer questions 22b, 22c, 22d)
  - (2) Yes and was denied
  - (3) Yes and was found ineligible at recertification
  - (4) No—have never applied
- 22b. [if (1) yes, above] For how many of your children do you receive financial assistance for child care? \_\_\_\_\_
- 22c. What is your weekly co-payment (your share) for your children who receive this financial assistance? \_\_\_\_\_
- 22d. Have you ever tried to change your approved hours for a child care subsidy from the Westchester Department of Social Services?
- (1) No
  - (2) Yes [if yes], Did you obtain approval?      Yes      No
23. If you have not applied for financial assistance with child care, what are the reasons? Please check the top two reasons.
- (1) Make too much money
  - (2) The paperwork is too hard
  - (3) Don't know how
  - (4) Lack of trust
  - (5) Don't want the county to go after child support
  - (6) Didn't know it was available
  - (7) Can't take time off from work to make an appointment
  - (8) Co-payment is still more than I can afford to pay for child care
  - (9) Other: \_\_\_\_\_
24. Which of the following BEST describes your household?

- (1) Single parent with children  
 (2) Two parents with children  
 (3) Two or more unrelated adult persons with children  
 (4) Non-parent caring for children (e.g., grandparent, other relative, or non-relative)
25. Which of the following best describes your total family income?
- (1) Under \$25,000  
 (2) \$25,000 to \$34,999  
 (3) \$35,000 to \$44,999  
 (4) \$45,000 to \$54,999  
 (5) \$55,000 to \$64,999  
 (6) \$65,000 to \$74,999  
 (7) \$75,000 to \$99,999  
 (8) \$100,000+
26. What is your home zip code? \_\_\_\_\_
27. Which of the following BEST describes you? [Check all that apply]
- (1) Black/African American  
 (2) Asian  
 (3) Hispanic  
 (4) White  
 (5) Other: \_\_\_\_\_
28. What is your highest educational level?
- (1) Some high school  
 (2) High school graduate or GED  
 (3) Some college, including a two year degree or technical college  
 (4) College graduate (bachelor's)  
 (5) Post-graduate work or professional school
29. Which of these communities do you live in or closest to?
- |   |   |
|---|---|
| <input type="checkbox"/> (1) Mount Kisco  | <input type="checkbox"/> (5) Peekskill    |
| <input type="checkbox"/> (2) Mount Vernon | <input type="checkbox"/> (6) Port Chester |
| <input type="checkbox"/> (3) New Rochelle | <input type="checkbox"/> (7) White Plains |
| <input type="checkbox"/> (4) Ossining     | <input type="checkbox"/> (8) Yonkers      |
30. Your gender:    Male                      Female

**Thank you for your time and cooperation!**

When you are finished, please place your survey in the enclosed envelope addressed to ETC Institute, 725 W Frontier, Olathe KS 66061. You DO NOT need a stamp.

## **Attachment G Stakeholder Interview Questions**

### **Questions for Child Care Stakeholders**

1. Tell me about your program – how many children do you serve and with what services?
2. What are your current biggest challenges? Do you have any current challenges relative to capacity or enrollment (i.e., do you have openings, a waiting list? In what age group?)
3. What challenges do you see among the parents you serve?
4. What is your relationship with DSS? What works well? What could be improved?
5. Other than a new source of continuing funding, what support would help you in your work?
6. Many states offer a higher subsidy rate for centers or homes that are nationally accredited or meet other quality standards that are beyond those required by licensing. What do you think of this idea?
7. Could it work in Westchester County as an incentive to improve quality?
8. The survey and focus group data have shown that many parents want part-week programs (particularly for 3-5 year olds), and are using grandparents, other relatives, and babysitters in their homes as their primary care arrangement. Would you be willing and able to offer part day/part week services?
9. Many businesses contract out their payroll and billing. If we could show you ways to join with other centers to share costs and save money on some of the business functions you either currently have in-house or contract for, would you be interested?
10. Anything else I should know?

### **Questions for Community-Leader Stakeholders**

1. What is your interest in child care?
2. What role has your organization played in child care?
3. What do you see as the most pressing issues?
4. What do you wish was in place related to child care?
5. What is your sense of the private sector interest in this issue?
6. What is your sense about private sector willingness to get involved in this issue?
7. If you could change something, what would you change?
8. Shared some recommendations – solicited reactions to these.
9. What is your best case scenario as a result of this report? Worst?
10. How should this report be released and positioned so the results can be heard and the appropriate recommendations implemented?