

CHILD CARE ASSISTANCE DURING COVID-19: PERSPECTIVES FROM PARENTS

This brief reports the findings from a series of telephone interviews with parents who are receiving child care subsidies in Michigan. The interviews, conducted in the summer of 2021, were designed to assess the impacts of the COVID-19 pandemic and related state policy changes on parents and child care providers. The policy changes included the following:

- Allowing providers to bill for enrolled children of families that receive the child care subsidy and who were absent due to the pandemic, beyond the 360-hour annual maximum, even if the facility was closed.
- Offering Child Care Relief Fund grants to providers to help with their operating expenses. Some grant rounds required child care rate reductions/credits be provided to families. (These were not limited to child care subsidy recipients.)
- Extending the eligibility redetermination period for the child care subsidy program by six months (for cases that came due in March through June 2020).
- Allowing providers to bill for school-aged children of families that receive the child care subsidy and who were engaged in remote learning while in care.

For the findings and recommendations below, numbers of parents in a given response category are provided in parentheses.

Recommendations

- **Clearly explain policy changes that have potential impacts for parents.** Very few parents were aware of the policy changes enacted in response to the pandemic. In addition, many had difficulty understanding the changes as stated to them during the interviews. However, once the changes were explained to them, most considered them beneficial. For parents to support and utilize policy changes designed to benefit them, they need to be made aware of the changes in a timely manner, via modes of communication they use, and in language that is simple and easy to understand.
- **Incentivize increased numbers of providers or expanded provider openings.** Despite the fact that all interviewees either currently placed children with providers or had done so in the past year, provider availability was a key concern for parents. Many noted that the number of openings in their areas fell short of current demand, and that the pandemic had exacerbated this shortage. In addition to the absolute number of openings, parents whose needs fell outside typical care types or schedules (e.g., those who worked late shifts or whose children had special needs) struggled to find providers.

- **Relax income requirements for eligibility or use a more holistic formula.** This is an issue that predates the pandemic and continues to be a concern for parents. Many parents felt that the income limit should be increased to reflect the fact that wages are not keeping pace with the cost of living, or that the state should use a different formula that accounts for essential household expenses and long-term trends in household income.
- **Continue to support providers through cost subsidies and transparent regulation.** Many parents sympathized with the struggles of their providers through the pandemic and suggested that the state support their child care providers by continuing to subsidize costs, particularly sanitation and personal protective equipment and other business expenses such as staffing. Several also noted the difficulties providers faced in complying with COVID regulations and suggested that these regulations be relaxed, clarified, or made more stable and consistent.
- **Provide timely communications and a simpler process for program approval and redetermination.** Although most parents had successfully navigated their most recent approval process, many found the approval process generally difficult or time-consuming and recommended that assistance and information from caseworkers be offered more quickly; that explanations and directions for the approval process be made clearer; and that the submission process be shortened and simplified.
- **Improve program promotion and awareness.** Parents also expressed a need for more accessible program information to help parents become more aware of the availability of the child care subsidy and its workings; several parents noted that the Child Development and Care program website was difficult to access or navigate, or was not updated often enough.
- **Continue the use of regulations to ensure high-quality care.** Most parents supported the continued or increased use of regulations and licensing requirements to ensure high-quality child care, as well as quality ratings systems like Great Start to Quality.

Results

Parents found it relatively easy to get information about the program, but there is room for improvement

When they were asked how easy it was to find information, slightly over half (19) indicated that it was very or somewhat easy. However, ten gave a neutral response, and five found it difficult, indicating that the information was not easy to find if one did not already know about the program. Most interview participants found out about the program from a Michigan Department of Health and Human Services (MDHHS) worker (9); referrals or information from other assistance programs (7), or the MDHHS website (6). About one-quarter of the parents (9) learned about the program from friends, family members, coworkers, or social media.

The most recent application process went smoothly for almost all parents

Nearly all parents (28) experienced few or no problems during their most recent application for the subsidy. Of those who faced difficulties, five had complications in their paperwork or approval process, and four had communication problems with their caseworker about the program.

Most parents easily found a provider who accepted the subsidy

More than two-thirds of parents (25) found it either very (20) or somewhat (5) easy to find a provider willing to accept the child care subsidy. Five parents gave a neutral response, and four found it somewhat or very difficult. For the latter, the key difficulty was in the general shortage of providers with openings in their area.

Parents found providers in various ways, including individual knowledge and investigation (14), word of mouth from personal contacts (8), the MDHHS or Great Start to Quality websites (7), other online resources such as Google or social media (7), or information/marketing from providers (3). Only a few (4) parents received direct help from MDHHS caseworkers in their search for providers.

Nearly all parents were affected by provider closures due to COVID

Most families (27) reported that their providers temporarily closed their doors because of the pandemic. Of these, eight reported that their providers closed more than once. About half of the closures occurred at the outset of the pandemic (12) or in summer 2020 (2), with additional closures between fall 2020 and winter 2021 (8) and in spring and summer 2021 (4). The duration of closures varied from a week or less (6) to more than a week but less than a month (10) to a month or more (10). One parent reported that their provider was currently closed but planned to reopen.

Slightly under half of the closures (15) were due to positive COVID tests, exposure, and/or quarantine procedures. The rest were preemptive safety measures that were taken proactively or in response to the state stay-at-home order.

The parents reported various other changes by providers in response to the pandemic. These included capacity reductions for social distancing or because of reduced demand (14), reduced hours of operation (10), staff reductions (8), increased rates or fees (4), reductions in type of service offered (2), or adding virtual schooling (2). No parents reported changes in provider willingness to accept the subsidy.

Some parents incurred new child care costs due to COVID

Most parents (20) did not experience cost increases due to the pandemic. However, about one-third incurred additional costs due to needing to find alternative or additional child care (9), provider cost increases or going to new providers who were more expensive (5), or having to purchase additional items for child care (1).

Few parents reported providers billing for absent children, but most considered the policy beneficial

Only six parents reported that their providers had made use of the state policy change allowing providers to bill for subsidy-enrolled children who were absent due to the pandemic. However, many felt the policy would provide advantages such as preventing cost increases or the loss of their placement with the provider (14) and helping providers stay open (5). A few saw potential disadvantages, such as providers getting paid without providing care (4) or holding a spot that could be filled by another child needing care (3).

Most parents did not know if their providers had received Child Care Relief Fund grants, but still viewed them positively

Only eight parents indicated that their providers had received Child Care Relief Fund grants; most (21) were unsure. Of those who responded in the affirmative, they reported the providers had used the funds to cover business costs or lost income (4); renovations or new/improved equipment (3); cleaning, sanitizing, and personal protective equipment (2); or other uses (3).

When asked to speculate what difference the grants made for providers, parents felt they helped providers supplement lost income and stay in business (15), pay for COVID-related expenses or make improvements (8), or keep children safer (2). Similarly, they considered the grants beneficial to families in that they helped the providers continue to provide child care services (16), provide supplies or activities for children (4), or offer a cleaner and safer environment (2). Most parents (26) felt the grants had no disadvantages for parents. Two parents felt it was not right for providers to receive funds if they were closed.

Few parents had an extended redetermination period

Only three parents received an extension of their period of eligibility for child care; the majority of parents either did not receive the extension (19) or had an uncertain/unclear response (9). When asked to speculate on potential benefits of this policy change, most felt that it was advantageous, providing more time to prepare for redetermination (18), reducing the pressure and stress on parents (13), and allowing parents to use the subsidy longer (6).

Parents were less certain whether this policy had benefits for providers. Most were unsure (13), gave unclear responses (4), or said it would have no effect on providers (6).

Few parents reported that their providers had billed for remote learning

Seven parents reported that their providers had made use of the option to bill for enrolled children who were engaged in remote learning during care. Most parents reported that their providers had not done this (23) or they were not sure (2). However, most felt that this policy would be advantageous for parents, stating that it would help parents get back to work (17), facilitate child care while schooling was

only being offered in virtual settings (12), or help children get an education during child care (7). Only a few parents thought the policy might have disadvantages for parents; for example, three felt that child care facilities could not offer remote learning effectively.

Most parents also felt this policy change was advantageous for providers, noting that it offered them additional income (16) and helped them provide the staff, space, and materials needed for virtual learning (8).

Parents were divided on which pandemic rule change was most important

There was no clear majority in parent opinions on the most important pandemic-related policy change. Assistance for remote learning received the highest proportion of responses (10), followed by allowing providers to bill for absences (6), extending the redetermination period (5), and relief grants (4). Three parents had no opinion because they felt none of the changes impacted them personally.

When asked to explain their responses, most parents stated that the changes benefited them, their child, or people they knew (15). Others stated that the changes helped their providers (3), mitigated impacts of the pandemic (2), or helped reduce worries and stress about the pandemic (3).

Few parents believed the rule changes impacted their child care experience

When asked to what extent the COVID-related policy changes impacted their ability to find child care, the quality of care available, the ability to afford child care, and the ability to stay with the same provider, most parents indicated that the changes had no impact on their personal experience, or described impacts unrelated to the policy changes. As noted above, most parents had not heard of the policy changes prior to the interview, so they had no frame of reference for knowing whether the rule changes impacted their child care experience.

Ongoing challenges for parents include keeping the subsidy, issues with providers, household finances, communication with MDHHS, and more

When asked about their current challenges with the subsidy program and the pandemic, parents described a variety of challenges. The most prevalent examples include stress about being able to continue having the subsidy (10); provider-related challenges such as health safety in day care (8); getting timely and accurate information from MDHHS (7); and managing household finances (6).

Parents saw similar challenges for their providers as the pandemic continues. They most frequently mentioned keeping staff and the children safe from COVID (11), financial challenges related to decreased income and increasing costs (9), attracting and retaining staff (6), and compliance with COVID regulations (5).

Methods

Public Policy Associates, Inc. (PPA) conducted telephone interviews with parents of at least one child that received a child care subsidy over the past year. PPA issued email or phone invitations for interviews to a stratified random sample of parents from the MI Bridges case data from 2019. Stratification was based on six geographic areas around the state (by county). A maximum of three initial outreach attempts were made. Of the 1,200 parents (a minimum of 150 per region) who were invited to interview, 85 volunteered and 34 completed interviews. Parents voluntarily registered for an interview and then PPA confirmed, while ensuring a roughly equal number of interviews in each of the six regions chosen for the study. Upon completing the interview, each parent received an incentive of \$50 for participating (by mail). Research staff from PPA coded the interview responses by topic using NVivo software. Due to the limited overall number of interviews, as well as the potential for non-respondent bias, the results may not fully reflect the views of all current child care subsidy families in Michigan.

During the interviews, small proportions of parents (typically five or fewer per question) responded that they did not know or did not address the questions asked. These responses are not included in the reporting.

Interview Participant Characteristics

Interview participants reported the following information about their participation in the program:

- All 34 interviewees were currently receiving the child care subsidy.
- Slightly under half (18) had participated in the program for two to four years. Another 12 had participated for less than two years, and 4 had participated for five to nine years.
- The interviewees' children for whom subsidies were used over the past year were under 5 years of age (31) compared to those aged 5 years or older (24); many parents had more than one child using the subsidy.
- Interviews were conducted with parents in six regions:
 - Gaylord Region: Crawford, Montmorency, Ogemaw, Oscoda, Otsego, and Roscommon Counties (5 interviews)
 - Saginaw Region: Midland, Bay, and Saginaw Counties (6 interviews)
 - Grand Rapids Region: Kent and Ottawa Counties (6 interviews)
 - Kalamazoo Region: Kalamazoo and Allegan Counties (6 interviews)
 - Detroit/Wayne Region: Wayne and Macomb Counties (6 interviews)
 - Ann Arbor/Ypsilanti Region: Washtenaw and Monroe Counties (5 interviews)