Public Policy Associates

STATE PERSPECTIVES

Insights from Michigan's Cross-Department Coordination for the Child Development and Care Program, 2019-2023

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Project Context

Across the years 2019 to 2022—which included the COVID-19 pandemic—a federally funded research partnership between Public Policy Associates (PPA) and two State agencies examined the effects of policy changes on child care access. This brief shares the learning from State eligibility specialists (caseworkers) and State agency administrator teams.

POLICY FOCUS

Centered on the state's Child Development and Care (CDC) assistance program, the study examined 17 policy changes in total spanning implementation dates from July 2015 to July 2022. External economic influences and a State interest in continuous program improvement led to the changes. Overall, the aim of the policies was to increase child care access through increased affordability and supply.

6 Eligibility	6 Provider Payment	2 Family Costs	3 Other
• 125%-200% of the FPL threshold changes (4) • Redetermination • Graduated Exit	• Rate increase (3) • Enrollment vs. attendance • School-aged child attendance (2)	• Co-payment waiver • Discounts	• Universal caseloads • Grants to providers (2)

EXAMINING PROGRAM POLICY COORDINATION ACROSS AGENCIES

The Michigan Department of Lifelong Education, Achievement, and Potential (MiLEAP) and the Michigan Department of Health and Human Services (MDHHS) both have roles in the implementation of the child care assistance program. The Child Development and Care unit at MiLEAP (formerly housed in the Michigan Department of Education) sets policy for the program, controls the funding, and manages provider payment. Eligibility specialists (caseworkers) at MDHHS county offices review applications and make approvals or denials of benefits. MDHHS also communicates approved hours and family contribution (co-payment) requirements to families.

To understand the two agencies' degree of coordination around policy implementation, we developed a Policy Coordination Self-Assessment tool that State partner teams completed annually. The tool's content and scoring structure remained the same year to year except for the policies of focus.

We surveyed the eligibility specialists annually with the assistance of the MDHHS central office, with some variation in questions depending on the focal policies. The purpose of the survey was to gain their perspectives on how policies affected program processes and client families.

Several of the program policies Michigan changed affected the eligibility determination process and required programming modifications to the Bridges benefits database.

Themes

MISSION ALIGNMENT AND POLICY PURPOSE

The CDC program policies generally aligned with both State agencies' missions, an important foundation for collaboration.

If organizations collaborate but do not share the same goals, based on their missions, partnering can be difficult. Based on the self-assessments, MiLEAP (then MDE) and MDHHS staff saw most policies as helping them to fulfill their respective missions, lending motivation to their efforts to improve the program. On average, across the four years, mission alignment for the CDC policies studied was 3.6 (out of a maximum of 4.0), indicating a strong alignment for the two agencies.

A difference in ratings around mission was a matter of how the intent of the policy was understood by the agency teams. For instance, MiLEAP and MDHHS rated a policy as achieving its purpose highest in cases when the policy benefited families or providers by providing more resources or removed another barrier, thereby promoting access to child care. All the studied policy changes except for the universal caseload model and the first eligibility threshold increase (to 125% of the federal poverty level [FPL]) were rated at a combined score of 3.0 or above. This early threshold increase was not seen as going far enough by the MDHHS team (rated 2.0) and the universal caseload model was viewed as not satisfying the CDC program's interest in avoiding eligibility and payment delays (rated 1.0).

71% of responding eligibility specialists agreed or strongly agreed that the policy changes each year made it easier for them to improve the health and safety of Michigan families.

The eligibility specialists generally thought that the policy changes each year made it easier for them to improve the health and safety of Michigan families (71% agreed or strongly agreed). There was no significant difference in this sentiment each year, except for in Business Service Center (BSC) 1, which represents Northern Michigan and the Upper Peninsula. BSC 1 had a slight decrease in their ratings from the third to fourth annual surveys, indicating a potential perceived misalignment between mission and the program changes in the northern portion of the state.

COORDINATED IMPLEMENTATION SUPPORTS

Interagency communication buttressed the success of policy implementation.

Over the four years, the State agencies saw their policy-related communications as generally effective. On average, communications about policies were rated 3.1 out of 4.0, although the combined scores ranged across years from 2.5 to 4.0. Lower scores resulted when technical issues around implementation were experienced, staff felt they did not get enough information, or eligibility specialists were not ready to change practices.

Between the second survey in 2021 and the fourth survey in 2023, the need for attention to communications declined in the eyes of eligibility specialists. Only 14% of specialists indicated that communications between the State agencies

was one of the top three issues to improve upon for the CDC program in 2023. This had improved from 2021 where 27% of specialists indicated it was an issue.

The two agencies have worked to improve interagency communications around the CDC policies—as well as with clients and providers, as discussed in the Applied Results section below.

The State used a growing variety of tools to communicate about policy changes.

To implement a new program policy, the process usually involved drafting communications such as memos or letters to the eligibility specialists, participating providers, and families receiving assistance (as relevant). The program manual, known as the CDC Handbook, and the benefits database are also updated at the start of the new quarter, as needed. For the 2022 eligibility increase to 200% of the FPL, the State also conducted a public awareness-building campaign with resources from MDHHS and worked through partners outside State government to spread the word about the eligibility change. This expanded suite of communication tools went far beyond those used in 2019 when the initial eligibility threshold change went into effect. At that time, the tools were agency-focused, such as the CDC Handbook, informational memo directed at staff, and MDHHS staff training.

Communication efforts from the State improved but still require more attention according to eligibility specialists.

According to specialists, there was significant improvement in communications to both specialists and clients from 2021 to 2023. That said, less than half (46%) of specialists in 2023 thought that the policy changes were communicated well to them, and only about a third believed that they were well communicated to clients. The increase from 2021 to 2023 might just be a result of the volume and frequency of policy changes, and not an improved communication strategy, especially since there was no reported improvement in communication from 2022 to 2023. These results show an ongoing need to continue to focus on improving communication between the State offices and eligibility specialists as well as with client families.

Specialists wanted to see better material to provide to clients about the eligibility threshold and graduated exit policies. Each year, around 60% of specialists believed that these materials needed improvement. By reducing the amount of time specialists spend explaining these policies to clients, the State could ease the burden a little on specialists, allowing them to spend their time on other tasks.

The State agencies saw data accuracy and problem-solving collaboration as facilitating interagency cooperation.

Michigan's eligibility threshold changed multiple times between 2015 and 2022, moving from 125% to 200% of the FPL. The highest ratings for interagency cooperation were for the eligibility threshold changes and the temporary co-payment waiver that went into effect in 2021 and 2022 (combined scores of 3.5-4.0), as compared to earlier changes to the threshold, the redetermination period, and the institution of graduated exit (combined scores of 3.0 for each of these).

Even when communications were rated lower, other aspects of the State agency coordination were rated highly, such as when the 2022 eligibility increase received a combined score of 2.0 for communication but cooperation received a 4.0.

In discussions about their ratings, agency teams pointed to having a helpdesk for eligibility specialists, careful updates to the data system, and collaborating on problem-solving as beneficial to policy coordination. In addition, in 2022, the involvement of other State agencies (Department of Licensing and Regulatory Affairs, Department of Labor and Economic Opportunity) and support from the Governor's Office were seen as facilitating a stronger level of cooperation. Having their involvement helped to prioritize efforts across departments and facilitated sharing information through additional outlets.

125% FPL → 200% FPL

Between 2015 and 2022, the program's eligibility threshold went from 125% to 200% of the FPL

POLICY CHANGE ADMINISTRATIVE CHALLENGES

Eligibility specialists struggled to keep pace with policy changes.

Following the COVID-19 pandemic, the State faced many simultaneous policy changes across benefit programs. The CDC program was no exception to this rule; its changes rolled out each year of the study. However, with fewer changes each year from 2021 onward, specialists seemed more confident and comfortable in their abilities to understand and explain policies surrounding the CDC. This trend continued to be true even while controlling for experience level and other demographic information. In addition, the decline in the proportion of specialists who reported difficulty to keep up with policy changes (74% in 2021 to 54% in 2023) leads to the conclusion that a slower pace and fewer number of policy changes in any given year can improve specialists' ability to effectively do their jobs.

Some CDC program policy changes resulted in significant workload increases for State staff.

With the arrival of the pandemic-era grants to providers, the workload of the CDC staff increased substantially. The six rounds of Child Care Relief Fund grants were handled internally at MDE (program staff plus many others working at MDE). With the Stabilization Grants, there was more preparation time and the State sought help from a contractor to facilitate the grant process. That allowed the CDC staff to focus again fully on the program's day-to-day operations.

The extended redetermination period (2020) also created a heavier workload for the eligibility specialists at MDHHS in the following year, as more cases came due for review at the same time than normal (i.e., the regular 12-month redeterminations for that month plus the cases that reached the end of their additional six months under the temporary policy).

Eligibility specialists experienced higher caseloads overall during the years of the CDC program policy changes.

Over the four years of surveys, specialists reported larger caseloads. In the first year of the survey, under 1% of respondents in counties that did not have universal caseloads (UCLs) reported having a caseload of over 1,000. The specialists with that level of caseload increased annually, with 13% of eligibility specialists reporting that size of individual caseload. The number of specialists who reported having 500-1,000 cases also rose, peaking in 2021, likely due to an influx of cases because of the pandemic. The percentage of respondents who reported over 1,000 cases, however, has increased every year. This impact is most prevalent in BSC 4, which serves the Detroit Tri-County region. Over 22% of respondents from BSC 4 reported having over 1,000 cases. The concentration of high case load in BSC 4 is a cause for concern, as it is by far the most populated region in the state and thus the one most susceptible to case overload if staffing does not keep pace with new cases.

On top of this, specialists reported that if thresholds were lowered after being raised it would make their jobs harder. They reported that they would have more difficulty explaining the changes to the clients (66%), as well as processing cases and making determinations about client eligibility (72%). This highlights that the administrative burden of temporary changes might fall on staff.

Families struggled with finding child care and completing paper work, according to eligibility specialists.

Specialists reported that clients' biggest difficulty was finding child care (46%). This is not surprising, given the reduction in the access to child care across Michigan following 2020. Generally, up until 2023, the number of providers decreased every year. In 2023, the State finally saw an increase, but it was a small one and the impacts still might not have hit yet by the time of the 2023 eligibility specialist survey.

> According to eligibility specialists, clients' biggest challenge was finding child care.

Many specialists also thought that clients experienced difficulties with reporting in a timely manner (42%) and submitting applications incomplete (41%). Although these challenges have decreased from 2020, the first year of the survey, they went up in 2023 compared to 2021 and 2022. This might reflect the number of applications each specialist saw, the increase in the eligibility threshold, or how the economy has changed over the past few years, or other reasons. These difficulties with application and reporting point to a wider issue that could be a barrier to receiving assistance for eligible families.

Eligibility specialists saw the CDC program as effective regardless of certain process challenges.

Each year from 2020 to 2023, specialists believed that the CDC subsidy program was effective. In 2023, of the specialists who offered a rating, 85% believed the CDC was an effective program. These results are consistent over the four years of the study and across the four service center regions. Over the years, however, specialists were slightly more likely to believe that the program was very effective, moving from 21% to 28% of specialists. BSC 1 was an exception to this, as they were less likely to believe that the program was very effective, with more specialists believing it was only somewhat effective. The reason for this difference by region is unknown.

PERCEPTIONS OF POLICY IMPACTS

The State teams had high expectations for policy impacts.

The program staff team completing the self-assessments explained that their lower ratings of policies were sometimes tied to seeing a lower impact than hoped. For instance, they were disappointed that the eligibility threshold change in 2021 did not result in rapid, major increases in the families with subsidies (combined score of 3.0), although the number of children with subsidies went from 35,858 to 37,546 between January 2020 and December 2023. Also, the State teams had hoped the stabilization grants, which reached 71% of the state's licensed providers in 2022, would help halt the downward trend in provider supply across the state (combined score of 3.5). Perhaps these outcomes were a result of expecting too much impact in a relatively short period of time, but nonetheless they somewhat dampened the State teams' perceptions of high-level success, depending on the policy and timeframe.

The State agency teams saw the temporary nature of some policies—those implemented during the pandemic years—as limiting the potential for policy improvement.

With certain policies, like the stabilization and other grants to providers and absence billing, the State agencies scored potential for improvement lower. This view was due in large part to the temporary funding supporting these policies and the need for these changes limited to the pandemic context. The State teams saw the eligibility threshold increases and payment rate changes, however, as having high potential (3.0 or above) for improvement, as was the UCL model (3.0), which was still being implemented across the state as of early 2024.

The temporariness of certain policy changes was not seen as impactful by eligibility specialists.

The eligibility specialists did not think that temporary changes in the eligibility threshold would impact the availability, equity, or quality of child care in 2022 or 2023. However, some believed that the temporariness would hurt client retention (57%). In 2022, when specialists were asked about the impact that they thought ending the co-payment waiver would have, they again did not foresee any significant impact on equity, quality of care, number of providers, services available, client program retention, clients remaining with provider, or location and number of providers. In some categories (client retention, client's ability to remain with provider), specialists were more likely to say that it would have a negative impact, than a positive one, but that still totaled less than half of specialists.

Overall, eligibility specialists saw positive impacts for their clients because of the policy changes.

Across the state in 2023, specialists who answered the question believed that the policy changes each year made it easier for their clients to obtain financial stability (85%), remain with their provider of choice (85%), and access quality child care (70%). These percentages increased a little bit each year. This impact and trend held true in most regions as well, except for BSC 1. Each year, specialists there were more likely to believe the policy helped their clients, but after 2022 fewer of them felt this way for each of the three categories.

SPECIALIZATION AND CASELOAD MANAGEMENT

Eligibility specialists support CDC program specialization.

75% of eligibility specialists who do not have a CDC specialist in the office would like one.

Both respondents with and without CDC specialists in their offices overwhelmingly supported the idea of CDC specialization. Seventy percent of respondents who work with CDC specialists (but are not one themselves) think that they add benefit, and 75% of those who do not have a CDC specialist in the office want one. Many non-specialized eligibility specialists will process only a few CDC cases per year, which hinders their ability to retain nuanced knowledge of the program.

In addition, CDC specialists were more confident in their ability to process CDC cases (76%) than those who work in offices without CDC specialization (59%). CDC specialists were more likely to know how to help applicants with various program processes including eligibility determination (91% vs. 66%), the application process (91% vs. 83%), redetermination (94% vs. 82%), where and how to use the subsidy (84% vs. 54%), and the graduated exit (67% vs. 43%).

They also reported better ability to explain CDC policies to clients, such as require paperwork and timelines (83% vs. 70%), the timing of payments (60% vs. 52%), family co-payments (46% vs. 33%), and graduated exits (41% vs. 33%). The CDC specialists were also more optimistic about the policy changes helping their clients receive financial stability (81% vs. 65%) and remaining with their child care provider (73% vs. 54%) than non-CDC specialists.

Specialists do not see meaningful differences between the traditional case assignments and the Universal Caseload models.

Neither community type, BSC region, CDC specialization, nor other type of demographic information explained any significant differences in the way respondents from UCL offices answered survey questions compared to those who work within a traditional case assignment model.

As the UCL model is still being rolled out across the state, the 2023 survey administered questions specifically pertaining to UCL. The survey asked non-UCL specialists about switching to UCL and those who work in an office that does use UCL about switching back to a more traditional caseload assignment. In both scenarios, eligibility specialists reported that switching would not change the quality of their work, the amount of time they spend per client, or the number of clients they could assist.

Preliminary data analysis showed that CDC case error rates were higher in UCL counties than non-UCL counties.

Although the sample size is small, error reports from 2023 onward show a growing difference between the errors of offices that use the UCL model and those that do not. Higher error rates could mean that a family in need would not receive the subsidy or would need to delay accessing child care. However, the case audit is not adequately sized or representative enough for statistical testing, so this result should be considered preliminary. Overall, the case error rate for the program is high. The State is working with technical assistance advisors, and agency leads are meeting regularly to identify the causes of errors and to take action to prevent them.

Applied Results

MICHIGAN ACTIONS

The findings from the policy coordination self-assessments and eligibility specialist surveys reinforced insights shared by providers and families, as well as those gained through analysis of the program data. MiLEAP and MDHHS utilized the results of the study to bring about program improvements. Their actions focused on improving communications and included the following:

For State Staff

- The CDC program staff created a case checklist for the eligibility specialists to make it easier for them to ensure that the steps have been completed.
- The CDC program staff prepared a tip sheet for eligibility specialists to help them to explain the family contribution to client families. This was posted, along with other materials, to an internal SharePoint folder accessible to the specialists.
- An increase in calls to the CDC helpline in 2023 prompted the two agencies to devise a change to the helpline phone system. They added a routing number option that, when selected, sends the caller directly to their MDHHS county office if the question was about eligibility.
- In addition, as noted above, the State agencies formed a cross-agency managers/directors group to meet quarterly to collaborate on improvements in response to CDC case error reports.

For Families and Child Care Providers

- In another attempt to streamline questions and answers, a program FAQ was added into the MiBridges system for families.
- The State partners are working to simplify certain program forms (e.g., DHS-4025, DHS-198), including simplifying the application form for foster care families and removing a provider signature requirement.
- The State partners have also worked to resolve system errors where forms and letters were not autogenerated as planned for families and providers.
- The study team worked with the CDC program staff to create new explanatory materials about the required family contribution policy and how the family contribution relates to other responsibilities families may have for child care costs with their providers.
- Rather than depending on families to get their providers information about the status of their child care assistance case, the State agencies are working on a plan together to get that information into the billing system that providers use to get reimbursed for care provided. This takes information from the DHS-198 form and posts it for providers to see by child. This system revision began in August 2023.

IMPLICATIONS FOR CHILD CARE ASSISTANCE POLICY

When coordinating around the child care assistance program's policies, the Michigan agencies saw the value of regular and clear communication, not just for the end-users of the program but for the staff engaged in eligibility determination and program administration. Particularly with two agencies involved, proactive consideration of how to communicate and what information each program actor needed to know contributed to higher satisfaction with the policy coordination.

As seen in Michigan, there are multiple points between the approval of a policy and its reaching full implementation in the field: data system updates, Handbook updates, notifications to staff and program participants, and troubleshooting along the way. These steps can take months to achieve. In addition, anticipating potential barriers, like deciding when a data-system change was not worthwhile for a temporary policy or proactively addressing questions for staff, providers, or client families, can smooth the way for policy implementation. Building relationships among the agencies' staff over time also facilitates recognition of potential barriers in the program and offers opportunities to preempt challenges and advance program quality.

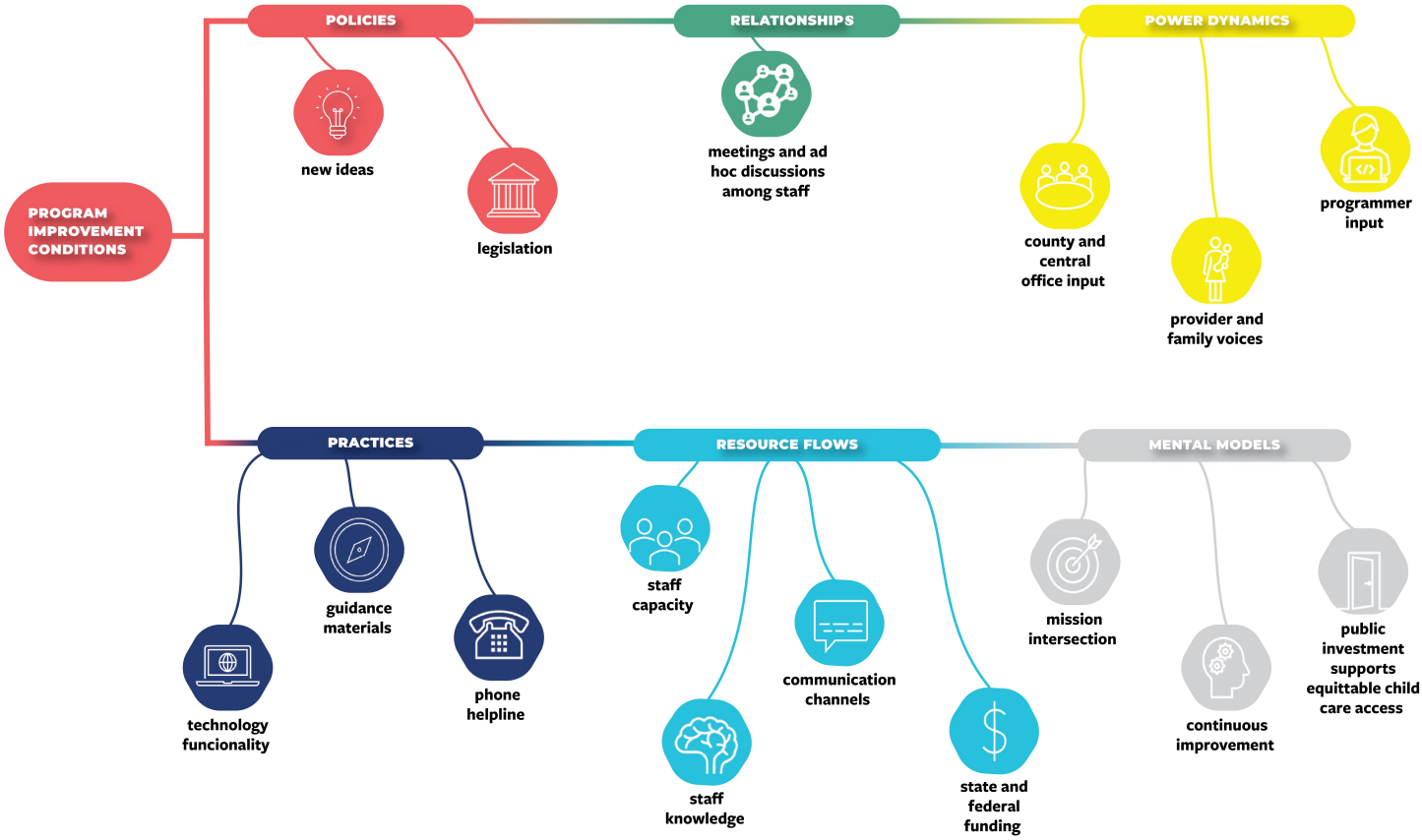

Figure 1. Michigan's Child Development and Care Program Policy Collaboration within the Context of the Six Conditions of Systems Change

As defined by Kania, Kramer, and Senge (2018), systems change involves six conditions within three categories: (1) structural: policies, practices, resource flows; (2) relational: relationships and connections, power dynamics or the sharing of decision-making; and (3) transformational: mental models, or the beliefs and assumptions about ways of working. Based on the qualitative data results over the course of the study, Figure 1 (above) shows how these different frameworks intersect for Michigan's CDC program and the ways in which the cross-agency implementation of policy demonstrates how systems-change conditions manifested. These were influenced heavily by the rapid pace of change required by the evolving economic, health, and educational impacts of the COVID-19 pandemic.

Within this framework (Figure 1), Michigan's CDC program cross-agency work has addressed several of the structural and relational conditions for change, but still has opportunity to further address relational and transformational conditions to maximize the program's positive outcomes for families, providers, and children.

Broadly, child care assistance programs could benefit from understanding their efforts from a systems-thinking perspective. This includes articulating the groups of individuals that have roles in carrying out program policies at the state and local levels and what those groups' frameworks might be that are driving their performance (e.g., their organizational missions and program training).

Noting the existing communications channels and any gaps across the program are also crucial to effectiveness. Rather than addressing each new policy change as it comes, systems-thinking allows administrators to devise change efforts that overcome barriers by examining the root causes and improve the program's outcomes in holistic ways.

Methods

POLICY COORDINATION SELF-ASSESSMENTS

Each year, we populated the tool with information about the year's policy changes. Each year, the State agencies addressed 3-6 policies. We verified implementation dates and policy descriptions with the CDC program director. The tool included 15 items for each policy, 6 of which used rated scales and the others were memo fields. Items included policy description, mission alignment, implementation date and status, implementation supports, quality of communication, quality of interagency cooperation, achievement of intended purpose, external factors, and potential for improvement. Ratings were on a 1.0-4.0 scale, with 4.0 being the highest rating and indicating strong coordination. The State partners also had the option to provide comments or notes for each rated item.

MiLEAP and MDHHS chose their own agency teams consisting of four to six staff each to complete the self-assessments. Each team arrived at a consensus score for each item. In some cases, a policy did not require much coordination across the State agencies (e.g., universal caseload model, provider payments) and in those cases, the teams either elected not to provide a rating or sometimes gave a lower score, depending on the indicator.

We entered the data from each assessment into a spreadsheet for analysis, then met separately with the leads of each team to discuss the team's responses and ratings rationale where that was unclear. At a meeting with those same leads, the research team reviewed the results of the assessments and gathered further feedback. Before the joint meeting, we averaged the agencies' ratings of each item, looking for divergence in perceptions of coordination as indicated by lower scores (<3.0), in addition to examining the scoring in the context of the agencies' notes to determine reasons for any disparities in ratings.

To assess whether policy coordination improved year to year, PPA took the composite scores from five of the six ratings per policy and calculated the average across all of a year's policies to arrive at an annual average score. The scale remained 1.0-4.0. Where teams did not rate an indicator, those items were not included in averages. Averaged combined scores did not show any consistent pattern over time.

ELIGIBILITY SPECIALIST SURVEYS

The 2023 survey was developed in collaboration with the State partners in order to assess the impacts of policy changes made in 2022 from the eligibility specialist (caseworker) perspective. Items were based on the previous year's survey instrument, with constructs modified to address the specific policies implemented in 2022. The instrument was piloted with a small group of current eligibility specialists and revised in light of their feedback.

The final survey was disseminated to all MDHHS specialists in April 2023 and remained open for two months. The specialists were emailed an electronic link to the survey (with accompanying explanation) by MDHHS staff. Survey responses were confidential and without identifying information.

PPA analyzed the survey data using descriptive statistics and significance testing of differences among specialists (by experience, frequency of working with the program, community type, and region). In cases when a respondent reported "NA/not sure," they were coded as missing for statistical testing. However, in some cases "NA/not sure" counts were high enough to be significant (approximately 20% or greater). In these cases, analysis has been qualified with statements such as "respondents willing to speculate." Additionally, it is possible that for other reasons than previously mentioned, the specialists who did not respond had different feelings than those who did, potentially introducing selection bias. This was applied to all four years of surveys and then results of similar questions were compared between surveys using trend analysis, and significance was determined using robust or Newey standard errors with a lag of 1, when applicable.

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1. The Child Development and Care program moved from the Michigan Department of Education to the Michigan Department of Lifelong Education, Achievement, and Potential, and became part of the new Office of Early Childhood Education, on December 1, 2023.
2. The MDE "supports learners and learning in Michigan," and the MDHHS "provides services and administers programs to improve the health, safety, and prosperity of the residents of the state of Michigan." The MiLEAP mission is to "ensure all available resources, data, and funds are aligned around a single vision—building an education system that can support the economy of the future and help anyone make it in Michigan." Sources: The respective State of Michigan department websites (home pages), accessed February 12, 2024.
3. Public Policy Associates. (2021). *Child Care Quality in Michigan.* https://publicpolicy.com/wp-content/ uploads/2022/01/Data-on-Child-Care-Quality-1.pdf
4. Green Book, DHS-Pub-67, State of Michigan, January 2020 to December 2023.
5. State of Michigan stabilization grant data, 2022. Of the 7,959 providers with licenses in Michigan between June and December 2022, 5,834 received at least one grant.
6. Michigan Department of Health & Human Services. (n.d.). Universal caseload action plan. State of Michigan. https://www.michigan.gov/mdhhs/assistance-programs/universal-caseload-action-plan
7. John Kania, Mark Kramer, and Peter Senge. (2018). *The Water of Systems Change.* FSG. https://www.fsg.org/wp-content/uploads/2021/08/The-Water-of-Systems-Change_rc.pdf