

Child Care Provider Perceptions of Child Care Assistance Program Cuts

An electronic survey was disseminated to child care centers throughout Kentucky in the month of February to assess the perceived impact of the recently announced cuts to the Child Care Assistance Program (CCAP). As of March 5, 2013, the survey yielded 395 responses from 66 of the 120 Kentucky counties. 92% of survey respondents identified themselves as the director/administrator of the child care center; the remaining 8% identified themselves as classroom teachers.

In recent weeks, the Kentucky Cabinet for Health and Family Services announced major changes that will impact the Child Care Assistance Program (CCAP). These changes are to become effective in the next few months. For each of the changes listed below, please indicate whether or not you are aware of the change.

Answer Options	Yes, heard of this change	No, not heard of this change	Not sure	Response Count
a. The state will not accept new applications to the Child Care Assistance Program from low income working families seeking assistance.	373	16	2	391
b. Income eligibility for current participants in the Child Care Assistance Program will be dramatically reduced - families would have to live below the poverty line to receive assistance.	358	23	6	387
<i>answered question</i>				391
<i>skipped question</i>				4

Thinking of just these changes, how concerned are you with the impact that this may have on your overall program?

Answer Options	Response Percent	Response Count
Extremely concerned	77.1%	303
Very concerned	12.7%	50
Somewhat concerned	4.8%	19
Not very concerned	2.0%	8
Not at all concerned	3.3%	13
<i>answered question</i>		393
<i>skipped question</i>		2

How concerned are you with the impact that these changes may have on each of the following areas of your program?

Answer Options	Extremely concerned	Very concerned	Somewhat concerned	Not very concerned	Not at all concerned	Response Count
The profitability of your program	255	55	40	17	19	386
The enrollment levels of your program	275	48	33	14	18	388
The ages of care you serve	222	45	56	39	24	386
The affordability of care (price you charge)	266	45	35	19	18	383
<i>answered question</i>						388
<i>skipped question</i>						7

Approximately what % of your total revenues, do the CCAP dollars represent?

Answer Options	Response Percent	Response Count
0%	6.6%	25
1-25%	22.2%	84
26-50%	15.3%	58
51-75%	16.4%	62
76-100%	30.6%	116
Not Know	9.0%	34
<i>answered question</i>		379
<i>skipped question</i>		16

Is your program currently rated in the STAR quality rating program?

Answer Options	Response Percent	Response Count
No, not currently rated	48.9%	184
Yes, 1 STAR	8.2%	31
Yes, 2 STARs	27.4%	103
Yes, 3 STARs	13.0%	49
Yes, 4 STARs	2.4%	9
<i>answered question</i>		376
<i>skipped question</i>		19

The following responses are a sample of the 346 that were provided when respondents were asked about the specific ways their child care program may be impacted by the changes (comments are transcribed verbatim from the survey):

We have a very successful child care center for 47.5 years. If this is implemented as said, we will have to close our doors. I always believed that subsidy money for child care was intended to bring all facets of Kentucky to a higher level. If this happens Kentucky will fail in every way. Unemployment will soar to an unbelievable high and there will not be enough money to feed the children, much less their parents. The STARS program will fail immediately. Kentucky needs working parents and parents to attend college in order for them to be successful and pay taxes. Remember "United We Stand, Divided We Fall" Please do not destroy My Old Kentucky Home. Children deserve Quality Child Care.

More than 95% of the families whose children attend our center receive CCAP funding. These recent cuts will have a devastating effect forcing many to either quit their jobs or seek inferior child care arrangements. Loss of new CCAP families will decrease already sagging revenues to the point that our non-profit, 2 star, nationally accredited program will probably be forced to close.

The children won't have food to eat that might only get it here. Could force more parents to leave their children with unprotected people who could harm them, and have more children molested because the parents need to work and have to be forced to leave the children with who ever will watch for them and some centers will have to close because the low income family will not be able to pay. I have my daycare as low as I can go in a small rural community, I cannot go any lower.

My centers are 75 to 80% subsidized. We provide services to many low income families. Mostly our new enrollments are on a subsidy program. When the freeze is placed, our enrollment will begin to fall and I will have to lay off staff. Additionally, as the income guidelines change, I will surely loose families that will not be able to afford to pay the entire tuition. The parents of the children at each of my sites are concerned as well. Some are starting to call CCC to see if they will lose their subsidy and are very upset that they are affected. One parent cried so much that her eyes were swollen. She stated she did not know what she was going to do as she could not afford to pay her

living expenses and child care too. I looked at this parents income application and she stated that she made \$1499 per month (\$17,988 per year) at 40 hours each week this equates to \$8.64 per hour. She is a single mother with one child. I know there will be many parents in this same situation. My center's enrollment has dropped since the economic down turn. At one site we have dropped from 220 children to now 110 children. I am also extremely concerned for the children. Given the poverty level of the family, these children are at such high risks to have things go wrong for them. The new changes in the subsidy program will increase the risks that they already face. The comfort that a parent has by knowing that their child will receive a hot meal, a loving and stable environment will be taken away from them. So you see, there is much reason for extreme concern!

Providers are struggling financially to keep their doors open even without the new changes taking effect. By limiting child enrollment further (and thereby cutting off their income), child care will have no other option but to close their doors. This will impact 1) families - in search of child care - less access to local facilities, 2) providers of child care (employers) - employees will not be needed as enrollment lowers, 3) Kentucky's fiscal budget - as more families are eliminated from CCAP participation, those mothers and fathers who now work, will be unable to do so and still afford child care, thereby increasing Kentucky's output for assistance though food stamps, medicaid, welfare benefits, and any other social assistance available due to lack of jobs, 4) lack of STARS participation due to the lower monetary benefits received for children enrolled who receive subsidy.

I work at a program where there are several families on State Assistance to help them pay for care for their children while they go to work. At our center we charge more than what the state pays at the maximum. These parents are having a hard enough time paying the overage what makes the state think they can pay the full price. These parents use this program so they can go to work and try to better themselves and their family by you taking this funding away you are just going to make it even harder on them. Most of them are going to have to quit their jobs and then the unemployment rate is going to sky rocket.

I serve parents who are attending college. Changes in CCAP over the past 8 years have had detrimental effects on our parents and have certainly changed the clientele that we serve. The majority of our student parents are taking 12-18 hours per semester of coursework, working a minimum of 20 hours and managing their families and households. Criteria that further limit the eligibility for CCAP will result in some of these parents not being able to complete their degrees which will likely result in them never being able to fully support their families.

Smaller daycares will suffer dramatically financially, but most important the children are going to suffer because the parents are going to leave them with older siblings or more of them will become latch key kids. They payout for daycares is not a lot as it is and when you do the math hourly we are paid approximately 3.00 a hour. I love my business but I'm hanging on by a thread as it is I'm really scared that I will be forced to close leaving my kids with going to a new daycare with new people who know nothing about them and my employees as well as myself unemployed

I just opened my center in January and 95% of my families are currently receiving assistance from the state. I also have an employee who is pregnant and not due until after April 1st. She will not be able to afford child care, but will not be eligible for the assistance so what is she supposed to do? How can people that base their life off of this assistance in an already struggling economy possibly work and provide for their family if they can't afford child care? If they quit their job they will have to get more assistance from the state in other areas. If they can't quit and have to continue child care how are they supposed to afford it and be able to provide their families with everyday essentials? It just doesn't make sense to make such a huge cut to something so essential in people's everyday life. The main ones suffering from this will be children.

With these new changes, parents that receive assistance will lose it and parents that have not yet gotten service will not get it. This will drastically affect my business. I have been in business since 2002 and parents and us as childcare professionals need to be able to provide quality care for their children. After all, aren't children our first and main concern? The majority of children in this area receive services for childcare.

We moved into a low income area as these are the children we wish to serve. We have kept our prices the lowest that we know of. Our rates match the CCAP rates so that our parents have no overage fees. We have kept our expenses as low as possible while still providing quality care and preschool. Our rent is extremely high and our profit margin is extremely low. These changes to the CCAP could very easily close our center not only affecting the children in our care but also causing our staff of 18 to be unemployed.