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## Child Care and Development Fund— Research Synthesis Brief Series

# A Summary of Research on How CCDF Policies Affect Providers

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- CCDF reimbursement rates and payment policies can influence families' access to a range of child care options.
- Few states have CCDF reimbursement rates that cover at least 75 percent of the fees currently charged by providers in the market.
- Evidence from child care providers suggests they compare the cost of doing business with the CCDF system and subsidized families to the cost of doing business with private-paying families.
- Some CCDF payment policies can effectively reduce reimbursements below the fees for private-paying families.

The federal Child Care and Development Fund (CCDF) is a primary source of assistance helping low-income parents pay for child care so they can work or attend training or education. Most CCDF assistance is delivered by states<sup>1</sup> through vouchers that allow families to choose any provider that meets state and local standards and will accept payment through the CCDF. In fiscal year 2010, the CCDF helped a monthly average of nearly one million families access more than 600,000 child care providers.<sup>2</sup> In addition to supporting parental employment, a key federal CCDF goal is to support the availability and quality of care,

both for families in general and for low-income families specifically.<sup>3</sup>

Federal regulations establish certain parameters for the CCDF but states have a great deal of flexibility in setting local CCDF policy. Among other principles, the Office of Child Care (OCC) has specified that CCDF policies should be “fair to providers.”<sup>4</sup> Voucher policies and implementation practices matter because they influence payment levels and the costs providers incur in working with the system. Thus, they can influence child care provider decisions about accepting, limiting, or prohibiting enrollment of children whose care is paid with a CCDF voucher

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as well as provider decisions related to quality. In turn, these provider decisions essentially expand or restrict child care options and quality available for children and families that rely on vouchers.

This brief summarizes research that can inform implementation of CCDF policies that are fair to providers.<sup>5</sup> The term “fair to providers” does not appear in CCDF law and regulations. However, CCDF requirements suggest policies that are fair to providers will reflect the private market for care<sup>6</sup> and advance the overall goals of the CCDF, which include maximizing the child care choices available to low-income families and supporting the ability of families with CCDF vouchers to access child care similar to care accessed by families not eligible for assistance.<sup>7</sup> Thus, this brief addresses CCDF voucher policies that could influence fairness to providers either in terms of equity with the private-pay market or in terms of supporting family access to a range of providers, including high-quality care.<sup>8</sup> Some key dimensions considered in this context include payment rates, payment policies, timeliness of payment, and administrative costs of participation.

Because only 9 percent of children receiving CCDF assistance get that assistance through a contract-based funding mechanism, this discussion focuses on voucher policies.<sup>9</sup> While this limits the conclusions that can be derived for contract-based funding mechanisms, many of the issues addressed in this brief are also relevant considerations for CCDF subsidies delivered through contracts with providers. In other cases, contracts may point toward solutions to challenges associated with delivering subsidies through vouchers.<sup>10</sup>

### Who Serves Families Receiving CCDF Assistance?

Research generally finds most child care providers in a given area either care for, or report being willing to care for, subsidized children.<sup>11, 12, 13</sup> The evidence suggests various

reasons providers are willing to care for families whose fees are paid through CCDF, even when the costs of caring for subsidized children are sometimes higher—and payment is sometimes lower—than for children whose parents pay the full fee. Whether providers view CCDF policies as fair depends on their context. Many providers describe wanting to meet the needs of low-income families and appreciating the opportunity the CCDF offers to serve this population, even if it requires them to subsidize the cost of care through other means.<sup>14, 15, 16</sup> In contrast, at least some providers view payments through the CCDF system as better, in terms of either amount or reliability, than what they could otherwise receive from parents in the community they serve.<sup>17, 18</sup>

Comparing the characteristics of providers used by families with CCDF vouchers to the characteristics of providers used by other families offers a broad sense of whether the system encourages a range of providers to work with subsidized families. Many factors can account for differences in child care use patterns. However, when CCDF families are not accessing child care similar to care used by families ineligible for assistance, a key CCDF goal is not being achieved; one contributing cause may be federal, state, or local CCDF policies or implementation practices that affect provider participation.

Two types of data provide information about the child care accessed by families receiving CCDF assistance. Administrative data offer information about the proportion of children receiving vouchers in each state who are enrolled in regulated versus legally unregulated settings. A small number of statewide studies offer some additional data on the quality of care accessed by families receiving vouchers as compared to other families.<sup>19</sup>

**Regulatory status.** Although OCC specifies that states are not precluded from

“establishing policies that require child care providers serving subsidized children to meet certain quality requirements,”<sup>20</sup> federal law also requires state CCDF assistance to be used in any child care setting that meets state and local standards. Administrative data indicate most families with CCDF vouchers use regulated care, though the share differs from state to state. In FY 2010, a national average of 80 percent of children receiving CCDF was in regulated settings, and 19 percent was in settings operating legally but not covered by the state licensing rules.<sup>21</sup> The share of children in legally unregulated settings varied across states from a low of less than 0.5 percent in Arkansas, Massachusetts, Ohio, Oklahoma, and Wisconsin to highs of 69 percent in Hawaii, 57 percent in Michigan, and 53 percent in Oregon.<sup>22</sup>

States vary in terms of which caregivers are subject to regulation, stringency of licensing requirements, health and safety provisions applied to legally unregulated providers caring for children with CCDF vouchers, and mechanisms used to monitor and enforce regulations.<sup>23, 24</sup> Regulatory status is a readily available data element that offers a basic picture of the types of care used by families with CCDF vouchers. However, it is difficult to use these data to draw conclusions about whether families with vouchers have sufficient access to both regulated and unregulated providers, subsidies are being used for care that meets basic health and safety requirements, or care is of sufficient quality.

**Indicators of quality.** Little research has described the quality of care used by (or available to) families receiving CCDF vouchers. This search identified three statewide studies in the past decade that explored how child care program characteristics and quality vary with the share of children receiving CCDF voucher assistance. Each study found significant differences in only a few areas. However, the studies suggest some cause for concern as the significant

differences identified generally indicate that the quality of care used by (or available to) subsidized families may, in some instances, be lower than the quality of care used by unsubsidized families.<sup>25</sup> Although these studies do not directly address the reasons for the observed differences, voucher policies and implementation practices may be a contributing factor, either by affecting the willingness of high-quality providers to care for children receiving vouchers or by shaping the quality of care that can be offered to families whose fees are paid with vouchers.<sup>26</sup>

### How Do CCDF Payment Amounts Compare to What Private-Pay Families Are Charged?

One way of assessing if CCDF policies are fair to providers is to examine how voucher payments compare to revenue providers receive from other families.<sup>27</sup> State payments under CCDF are typically limited to maximum rates established by a state or what a provider charges private-pay families, whichever is lower. States must conduct a biennial survey of fees charged to private-pay parents (a market rate survey) and consider those findings in determining whether CCDF reimbursements are “sufficient to ensure equal access.”<sup>28</sup>

Some evidence suggests maximum reimbursement rates affect the quality of the market to which low-income families have access. A 2003 analysis in centers serving 4- and 5-year-olds in Wisconsin found that nearly half of centers that voluntarily met higher quality standards for accreditation had fees above the maximum reimbursement rate; only 28 percent of unaccredited centers charged fees above the maximum rate.<sup>29</sup> Another study, focused on child and family well-being, relied on classroom observations and caregiver interviews for birth cohorts of children in 14 major U.S. cities to conclude that higher state reimbursement rates were positively, although modestly, associated with the quality of care in nonprofit centers.<sup>30</sup>

Thus, understanding whether CCDF reimbursement rates are comparable to the private market is important in understanding whether CCDF policies provide families sufficient access to a range of providers, particularly high-quality providers.

Numerous factors affect whether CCDF reimbursement rates are comparable to the private market. Faced with budget constraints, many states set maximum rates lower than would otherwise be suggested by data from the most-recent market rate survey and thus lower than the fees charged by some providers. A related consideration is whether reliable and valid methods are used to collect and analyze market rate survey data and how methodological variations affect the correspondence between maximum CCDF reimbursement rates and fees charged to private-pay families. Further, for some specialized segments of the market, surveys may not be effective for determining appropriate rates but alternative methods are not well understood. Finally, payments under CCDF may be different than those from private-pay families when they do not cover some of the additional fees providers charge private-pay families.

**Maximum reimbursement rates and prices.** Based on data from market rate surveys, states establish rate ceilings that vary according to dimensions like geography, age of children, days/hours of care, and type of provider. In the preamble to the final CCDF regulations, the Administration for Children and Families (ACF) suggests “a benchmark for States to consider. Payments established at least at the 75th percentile of the market would be regarded as providing equal access.”<sup>31</sup> However, maximum reimbursement rates are frequently lower than this suggested level because states must take many factors—including state budget constraints and additional goals such as expanding eligibility or increasing the supply of certain types of care—into consideration when setting reimbursement rates.<sup>32</sup>

According to an annual summary of state child care assistance policies, as of February 2010, only 6 states set maximum reimbursement rates at the 75th percentile of the fees currently charged in the market; 21 states had maximum rates based on current survey data but below the 75th percentile, and 24 states had rates based on market rate survey data that were over two years old.<sup>33</sup>

**Market rate survey and rate-setting methods.** An emerging body of work outlines best practices for maximizing the validity of market rate surveys, including a focus on response rates, response bias, definitions of markets, price units, geographic units, and other topics.<sup>34, 35, 36</sup> Experts in this area note, “Given the importance of survey findings for [child care] policy, accuracy of results is important.... Requiring use of scientifically-sound methods... helps to ensure equitable treatment of families... as measured in terms of access.”<sup>37</sup>

Establishing CCDF reimbursement rates that reflect the private market for care is especially challenging for legally unregulated providers.<sup>38, 39</sup> Because these providers are not regulated, it is difficult and costly to identify a representative sample to survey about their fees.<sup>40, 41, 42</sup> Even when a representative sample can be identified, many kin and kin providers do not charge a fee for their services.<sup>43, 44</sup> Thus, states use a variety of approaches for establishing maximum rates for legally unregulated care, typically indexing the rates to those for licensed providers or ensuring caregivers receive a total subsidy reimbursement that represents at least minimum wage.<sup>45, 46</sup>

Similarly, numerous authors note challenges in using market rate surveys to establish appropriate rates in other child care submarkets, such as those with many providers who serve large numbers of subsidized children,<sup>47</sup> areas with extremely depressed wages,<sup>48</sup> rural or other areas with very few providers,<sup>49</sup> and in school-age care, which tends to have different

pricing structures than preschool-age care.<sup>50</sup> Further, although 21 states in 2009 had higher maximum rates for providers who met specific quality requirements,<sup>51</sup> as of 2005, only 6 states reported conducting analysis as part of their market rate survey to determine how fees charged differ according to quality.<sup>52</sup> Thus, it appears that—as with rates for legally unregulated providers—most states define the higher amounts based on factors other than survey data about price differentials for this care in the market.

**Other reimbursement policies.** Researchers, policymakers, and advocates have identified several additional CCDF policies that can effectively reduce reimbursements below private-paying parents' fees: payments withheld because subsidy authorization ultimately did not align with child attendance; reimbursement for application, annual registration, or special activity or supply fees not being offered; limits on payments when children are absent from care; and reductions in payments for days programs are closed for holidays, staff vacation, or professional development. Child care providers often try to ensure stable, predictable revenue in the context of unpredictable enrollment and attendance by requiring parents to pay in advance, whether or not a child attends. In contrast, CCDF payment rules often tightly calibrate payment amounts to actual child attendance; for at least some providers this can yield more variable, less predictable revenue than the advance, fixed amounts they receive from private-paying families.<sup>53</sup>

For example, studies find providers describing concerns about forgone revenue when they have cared for children before subsidy authorization begins or after the authorization ends. A study of the Massachusetts child care voucher system described gaps in coverage between subsidy termination and renewal, with “serious financial consequences” for providers who subsidized the cost of care during the gap.<sup>54</sup> In Ohio, a legislative study

found that “providers are exposed to risk of non-payment... for child care services provided to children while their parents await eligibility determination... [or] when there is a change in the parent’s... schedule.”<sup>55</sup> Between one-fourth and one-half of survey respondents in a representative sample of providers in five counties in four states reported a problem during the previous six months with receiving adequate notice about changes affecting their payment amount.<sup>56</sup> In other research projects, providers in both California and Wisconsin described not finding out that voucher authorizations had been terminated until they failed to receive a payment for care they had delivered.<sup>57, 58</sup>

Another way CCDF payment rates can differ from what providers receive from private-pay families relates to rules that closely connect CCDF payments to attendance. A large share of child care costs—including labor, space, and sometimes food—are fixed from one month to the next and sometimes longer; that is, providers must cover these costs whether or not enrolled children attend. Consequently, most providers charge private-pay families in advance and irrespective of child absences. In contrast, nearly all states' CCDF policies prohibit or limit payment for days children are absent or the program is closed. A summary of state CCDF plans for FY 2010–2011 found “at least 23 States have policies in place about making payments for days children are absent. Of these most States pay for [some] absent days.”<sup>59</sup> However, a representative survey of centers and family child care providers in five counties in four states found that roughly half of providers reported sometimes not receiving full payment when a voucher child was absent; the average number of payment days centers lost per month due to unreimbursed absent days ranged from 1.8 to 9.5, depending on the county.<sup>60</sup>

When maximum CCDF reimbursement rates are lower than what is charged to private-pay families, this is clearly one type of

disincentive for providers. However, state policies that contribute to uncertainty and variability in CCDF payments—such as those that limit payments for absent days—can also be a substantial problem.<sup>61</sup> Thus, even when maximum reimbursement rates are high enough to suggest CCDF payment levels are equivalent to the private-pay market, states may set CCDF policies that effectively yield lower reimbursement rates than a provider would receive from a private-pay family.<sup>62</sup> Notably, federal regulations allow states a great deal of flexibility to develop policies that impose few restrictions on payments so that the CCDF may closely mirror the private market.

### How Do the Costs Providers Incur in Serving CCDF-Subsidized Families Compare to the Costs for Private-Pay Families?

Comparing CCDF reimbursement amounts to private payments essentially assumes that the cost (and opportunity cost) of delivering services is the same for subsidized and unsubsidized families. If, however, providers incur higher costs in delivering services to families with CCDF subsidies—but reimbursements are limited to what they would charge private-pay parents—providers must either subsidize the cost of care through other means, or reduce their costs for families with CCDF vouchers.

Despite the relevance of this issue to providers and the child care subsidy system, few studies have estimated or modeled actual costs of delivering child care services (as distinct from prices) and no research has directly analyzed the total cost of delivering services to CCDF-subsidized families as compared to families not eligible for assistance. Some limited information is available from more general research exploring providers' experiences when working with CCDF voucher systems and families. Although precise costs have not been estimated, the evidence suggests that, in at least some cases, providers incur extra costs

in working with the subsidy agency, as well as extra costs in cases where families with vouchers have greater needs than other families.

**Working with the subsidy agency.** All providers incur costs related to doing business with private-paying families (such as for advertising, developing a contract, billing, and collection of payments). However, some evidence shows the costs of working with subsidy agencies are, at least in some cases, higher than the costs of working with private-pay families. Administrative practices differ across states but providers working with CCDF agencies must typically complete an initial enrollment process with the subsidy agency, provide periodic (usually annual) updates regarding policies and fees to the subsidy agency, keep track of subsidy authorizations among families receiving CCDF assistance, obtain parental signatures on attendance forms, and submit attendance paperwork to the voucher agency for payment.

Various studies suggest that for some providers, the paperwork involved is substantial. Providers in California describe it as a deterrent to caring for children with CCDF vouchers.<sup>63</sup> Research in Massachusetts indicates that, on average, centers allocated 38 percent of a full-time staff person to subsidy administration.<sup>64</sup> The survey of centers and family child care providers in five counties in four states found about one-fourth of providers reported “a problem with time consuming or difficult paperwork” in the previous six months;<sup>65</sup> center directors reported spending an average 5 to 16 hours per month on subsidy paperwork (depending on the county).<sup>66</sup>

Researchers also note other areas in which providers face additional costs when managing revenue from voucher programs. For example, because subsidy reimbursement is typically retrospective, providers working with CCDF agencies must finance sufficient cash flow while waiting for payment from the subsidy agency; this can be a strain, particularly when

payments are delayed.<sup>67, 68</sup> With private-pay parents, providers support cash flow by requiring payment in advance. And when there are problems with subsidy authorizations or payments, providers report sometimes spending extensive time on the phone with the subsidy agency, which can affect the time available to spend with children, on curriculum development, and so forth.<sup>69, 70, 71</sup>

A final hidden cost some providers encounter when working with families receiving CCDF assistance is related to the effect subsidy implementation practices can have on their ability to maintain full enrollment. Receiving adequate notice of changes that affected subsidy payments was one of the most frequently mentioned problems in the focus groups and the surveys with providers in five counties in four states; over one-fourth of providers in all counties and over one-half of providers in one county reported a problem with this in the previous six months.<sup>72</sup> Similar rates of insufficient notice of voucher termination or changes were also reported in the previously cited Massachusetts and Ohio studies.<sup>73, 74</sup> Interviews with providers suggest that inadequate notice of transitions by subsidy-receiving parents leads to slots that are unfilled and costs to providers in forgone revenue.<sup>75, 76</sup>

Whether any of these costs are actually higher when providers care for children whose fees are paid with CCDF subsidies depends, in part, on the population providers would otherwise serve. In California, some providers reported that payments from subsidy agencies are more dependable than payments from private-pay families and that CCDF vouchers help support full enrollment in their centers.<sup>77</sup> This is probably most common in low-income communities where families that cannot access subsidies have limited ability to pay for care. In some cases, higher costs may be offset by other financial support for low-income families, including the Child and Adult Care Food Program and special

training or grant initiatives targeting providers who serve CCDF-eligible families.

### **Working with CCDF families.**

Numerous studies describe the ways providers help parents navigate the subsidy system, including assisting with application and reauthorization paperwork, keeping track of (and reminding parents about) reauthorization dates and procedures, communicating with the subsidy agency on behalf of parents, and even driving parents to appointments with caseworkers.<sup>78, 79, 80</sup> Additionally, evidence suggests providers sometimes deliver these families supportive services that go beyond subsidy management and child care. Providers have reported helping families with basic food, shelter, and clothing needs; job search; and other life skills.<sup>81, 82</sup> These activities have implications for CCDF policies and implementation practices, both in considering how to minimize providers’ burden in supporting parents and in considering “fair” payment for families receiving CCDF assistance.

### **Implications for Policy**

Although determining whether CCDF voucher policies are fair to providers is complex and depends on state and local contexts and priorities, ACF has established fairness to providers as a goal for successful CCDF implementation. States have considerable discretion in establishing policies that effectively support providers. Partnering well with providers can help maximize the child care choices available to low-income families and help ensure families can use federally funded subsidies to purchase high-quality care. Despite the complexity of the issue, and unanswered research questions, the available evidence offers some considerations for policymakers regarding the ACF goal of fairness to providers.

- **How can federal, state, and local policymakers more explicitly include, define, pursue, and measure goals around fairness to providers?** States have a great deal of flexibility in defining priorities and policy

for child care subsidies. Faced with competing objectives and a variety of constraints, policy debates sometimes overlook the concept of fairness to providers. Children and families could benefit if policymakers more overtly define goals regarding fairness to providers, consider whether expectations for providers are commensurate with payment and practices, and more systematically assess how policy decisions might affect both provider-related goals and the supply of child care. Increasing reliance on data (including evidence on the characteristics and quality of providers who care for children receiving subsidies as compared to those who don't, on how CCDF payment rates are related to prices in the market, and on the actual cost of delivering high-quality services) can help policymakers better clarify and measure progress toward their equal-access and provider-related goals.

- **Can changes be made to reduce the differences between CCDF voucher payment policies and policies that child care providers implement for private-paying parents?** One goal of the CCDF is that “payment rates should reflect the child care market.” Ample evidence indicates that private-pay and CCDF reimbursement policies differ. Many of these differences—such as not paying for days that subsidized children do not attend—were implemented to ensure limited CCDF funds are spent on those with the greatest need and clearest eligibility for services. However, policymakers might explore whether there are ways to maintain program integrity while further reducing differences in CCDF- and private-payment policies so that total payments under CCDF are more comparable to total private payments. Such steps can help support families’ access to a range of child care choices and support the ability of providers to maintain or increase quality.

- **Can changes be made to reduce—or to compensate—the costs that providers incur in working with CCDF agencies and families receiving CCDF assistance?**

The literature points to certain ways states might reduce the burden providers face in establishing a relationship with the CCDF system, completing paperwork for payment, and resolving payment problems. And, although there is little documentation of the size of these costs, policymakers might consider covering the extra tasks in which providers engage when serving families receiving CCDF assistance, similar to government contracts for services that include separate line items for direct services and for administrative costs.

- **What attention is given to the validity and reliability of market rate surveys?**

Market rate surveys are a vital—and sometimes the only—source of data for state policymakers attempting to understand how CCDF vouchers fit into the market for care. Despite growing understanding of sound methods, the methodological strength of surveys across states varies greatly. State CCDF agencies should insist that the market rate surveys they conduct every two years employ methods that yield valid and reliable results.

### Implications for Future Research

This assessment of CCDF policies related to fairness to providers suggests several promising areas for further inquiry. Most notably, evidence on the following questions is scarce but could be highly useful to policymakers.

- What can we learn from the fields of health care, food assistance, and housing assistance about defining, measuring, and addressing concepts related to “fairness to providers”?
- What are the extra costs associated with delivering child care and related support to families receiving CCDF assistance?

How do these costs compare to state payment rates and to costs for—and total payments from—families not eligible for CCDF assistance?

- How do different policy scenarios affect the revenue providers receive under CCDF (including both payments from CCDF and copayments from parents)?
- What is effective in supporting provider efforts to supply high-quality care? What is the cost of providing good quality and of supporting its provision? How does this compare to CCDF reimbursement rates and to what parents can afford to pay?
- What are the best methods for establishing maximum rates for various child care submarkets, including legally unregulated care, care that meets higher quality standards, and care in areas with low population density?
- How do states view the tradeoffs between fairness to providers and other CCDF goals, such as supporting the quality of care, maximizing the number of families receiving CCDF assistance, and others?
- What are the strengths and shortcomings of the different subsidy delivery mechanisms (i.e., contracts and vouchers) in supporting provider-related goals?
- What innovative policies are states implementing to ensure fairness to providers in the CCDF? ■

## Notes

1. The CCDF is a block grant allocated through formula to lead agencies in each of the 50 states and the District of Columbia, as well as territories and tribes. Because the bulk of funding is allocated to the 50 states, for convenience, this brief uses the term “state” or “states” to refer to any type of lead agency administering the CCDF block grant.
2. U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care (2011a).
3. U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care (2011b).
4. Specifically, the stated objectives of the Child Care Mandatory and Matching Funds of the Child Care and Development Fund (grant number 93.596) include “grants to States, Tribes, and tribal organizations for child care assistance for low-income families” and to “allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents... and to create a system that is child focused, family friendly, and fair to providers” (U.S. Office of Management and Budget 2011).
5. Relevant research was included if it was published within the past decade, and if it had sufficient methodological description to assess the representativeness, reliability, and validity of the results. Relevant publications were identified through a systematic keyword search of the collection archived by Child Care and Early Education Research Connections; selected databases accessed through EBSCOhost including Academic Search Premier, EconLit, and SocINDEX; JSTOR Arts and Sciences Collections; and other selected indices of scholarly works.
6. U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care (2011b, 1).
7. U.S. Department of Health and Human Services, Administration for Children and Families (1998).
8. This brief does not address research on several related topics that might also fit under the definition of “fair to providers.” These include (1) health and safety rules applied to providers caring for children receiving vouchers (which are established by states and vary according to which providers are required to be licensed within a state), (2) the funds set aside from the CCDF to support initiatives designed to improve the quality of care, and (3) client-level subsidies funded through a contract mechanism.
9. U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care (2011a).
10. See Kirby and Burwick (2007) for a discussion of some of the advantages of voucher-based subsidies and Schumacher, Irish, and Greenberg (2003) and Matthews and Schumacher (2008) for a discussion of the ways states use contract-based child care assistance.
11. Adams, Rohacek, and Snyder (2008).
12. Raikes et al. (2003).
13. Karolak and Mansfield (2000).
14. Ibid.
15. Washington and Reed (2008).
16. Garnier (2005).
17. Hirshberg (2002).
18. Adams et al. (2008).
19. Some additional research, not reviewed here, examines the characteristics of providers caring for children with CCDF assistance in a geographic area smaller than a state.
20. U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care (2011b, 1).
21. Values do not add to 100 percent because data for 1 percent of settings were unreported or invalid.
22. U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care (2011a).
23. Porter and Kearns (2005).
24. Office of Child Care’s National Child Care Information and Technical Assistance Center, and National Association for Regulatory Administration (2010).
25. Specifically, a study in Delaware found lead teachers in centers accepting vouchers were less likely to have a college degree, and centers accepting vouchers had significantly lower scores on six of seven Early Childhood Environmental Rating Scale and Infant Toddler Environmental Rating Scale subscales (as compared to centers not accepting vouchers) (Gamel-McCormick et al. 2005). The research in Delaware did not generally find significant differences on any of the observational measures for family child care providers accepting and not accepting subsidies. In contrast, a study in four midwestern states did not generally find differences in centers caring for differing numbers of subsidized children (Raikes, Raikes, and Wilcox 2005). However, they did find that higher subsidy density (proportion of enrolled children with CCDF assistance) in family child care homes was associated with lower scores on the Family Day Care Rating Scale and lower scores on a measure of caregiver sensitivity. Another statewide research project in Kentucky found that subsidy density predicted quality in preschool-age, but not infant, classrooms (Antle et al. 2008).
26. Adams et al. (2008).
27. This brief explores the connection between CCDF payments rates and quality only in terms of whether payments appear sufficient to give subsidized families access to the existing market, including any high-quality providers in the market. To the extent policymakers are interested in ensuring payment rates support a growing supply of high-quality care, it may be necessary to look beyond the fees charged in the private market to the actual cost of delivering high-quality services.
28. U.S. Department of Health and Human Services, Administration for Children and Families (1998, 39988).
29. Adams et al. (2002).

30. Rigby, Ryan, and Brooks-Gunn (2007, 902).
31. U.S. Department of Health and Human Services, Administration for Children and Families (1998).
32. U.S. General Accounting Office (2002).
33. Schulman and Blank (2010).
34. Grobe et al. (2008).
35. Emlen (2005).
36. Davis et al. (2009).
37. Ibid., viii.
38. Office of Child Care’s National Child Care Information and Technical Assistance Center (2011).
39. Marrufo and Public Policy Institute of California (2003).
40. Office of Child Care’s National Child Care Information and Technical Assistance Center (n.d.).
41. Davis et al. (2009).
42. Whitebook et al. (2003).
43. Arnold, Schauben, and Chase (2006).
44. Meyers and Durfee (2006).
45. Office of Child Care’s National Child Care Information and Technical Assistance Center (2011).
46. Garnier (2005).
47. Dickman, Kovach, and Smith (2010).
48. Ibid.
49. Davis et al. (2009).
50. Ibid.
51. Minton, Durham, and Giannarelli (2011).
52. Weber et al. (2007).
53. Minton et al. (2011).
54. Washington et al. (2006, 41).
55. Karolak and Mansfield (2000, 13).
56. Adams et al. (2008).
57. Hirshberg (2002).
58. Ogunnaike (n.d.).
59. Office of Child Care’s National Child Care Information and Technical Assistance Center (n.d.).
60. Adams et al. (2008).
61. Karolak and Mansfield (2000).
62. Reimbursement rate structures may not tell the whole story of monies received by providers. In some cases, providers may not successfully receive the copayments due from parents. In other cases, providers themselves exercise discretion in collecting payments, which also affects total payment amounts under the CCDF. For example, in some states, providers may charge parents the additional difference between their private-pay fee and the maximum CCDF reimbursement rate.
63. Hirshberg (2002).
64. Washington and Reed (2008).
65. Adams et al. (2008, 83).
66. Adams et al. (2008).
67. Hirshberg (2002).
68. Karolak and Mansfield (2000).
69. Ibid.
70. Adams et al. (2008).
71. Hirshberg (2002).
72. Adams et al. (2008, 29).
73. Washington and Reed (2008, 205).
74. Karolak and Mansfield (2000).
75. Ogunnaike (n.d.).
76. Washington and Reed (2008).
77. Hirshberg (2002).
78. Karolak and Mansfield (2000).
79. Adams et al. (2008).
80. Hirshberg (2002).
81. Adams et al. (2008).
82. Hirshberg (2002).

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