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Provider Perspectives on Mississippi's Child Care Payment Program

by Katherine Broten

A thesis submitted to the faculty of The University of Mississippi in partial fulfillment of the requirements of the Sally McDonnell Barksdale Honors College.

Oxford  
2023

Approved by

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## **DEDICATION**

Firstly, I am incredibly grateful to my thesis advisor, Dr. Bass. I am so thankful for her patience and knowledge over the last four years. She is a phenomenal professor and an invaluable addition to the Department of Public Policy Leadership.

I would like to dedicate this thesis to the child care providers of Mississippi. They provide an essential service while all too often being treated as replaceable or unimportant. Caring for some of the most vulnerable people in our society should be heralded and compensated for the heroic act that it is. I want to sincerely thank every provider who participated in my research for allowing me some of their valuable time.

Next, I would be remiss not to use this opportunity to thank my favorite teacher ever, Mrs. Martinez, for being my friend when I needed one and for telling my fourth grade self that I am smart and capable of completing projects like this one.

Finally, I also want to dedicate this thesis to my mom, an almost thirty-year public school educator and the kindest person I know. She has supported me throughout all of my academic and personal stresses, and I could not have made it this far without her. I hope to one day positively impact even half the number of people she has.

## **ABSTRACT**

### **KATHERINE TAITE BROTEN: MISSISSIPPI'S CHILD CARE PAYMENT PROGRAM FROM A PROVIDER PERSPECTIVE**

(Under the direction of Dr. Melissa Bass)

The Mississippi Child Care Payment Program allocates public dollars from the Child Care Development Block Grant to decrease the cost of child care to qualifying Mississippi families. The purpose of this research is to examine how the coronavirus pandemic and ensuing policy changes from the state of Mississippi shaped child care providers' experience with the Child Care Payment Program. By surveying child care providers, this researcher assesses to analyze the effectiveness of the program and determines remaining what areas of need. Please note that this research applies to policies prior to the 2023 revision to the Child Care Payment Program handbook.

## CONTENTS

LIST OF FIGURES.....	5
LIST OF ABBREVIATIONS.....	6
CHAPTER I: INTRODUCTION.....	7
CHAPTER II: BACKGROUND.....	10
Program Overview.....	10
Application and Eligibility.....	12
CHAPTER III: LITERATURE REVIEW.....	20
Parents and Child Care.....	20
Child Care Providers.....	24
Policy Implementation.....	26
CHAPTER IV: RESEARCH DESIGN.....	30
CHAPTER V: RESULTS.....	33
Voucher Accepting Centers.....	33
Non-Voucher Accepting Centers.....	36
All Centers.....	37
Hours, Maximum Enrollment, County of Residence.....	40
Cross Tabulations.....	41
CHAPTER VI: DISCUSSION.....	44
Hours of Operation, Attendance, Availability, Location.....	44
Funding and Revenue.....	48
Impact of CCPP Vouchers.....	50
CCPP and the Pandemic.....	52
Limitations and Conclusion.....	57

CHAPTER VII: POLICY RECOMMENDATIONS.....	60
RECOMMENDATION I.....	60
RECOMMENDATION II.....	61
RECOMMENDATION III.....	61
RECOMMENDATION IV.....	62
CONCLUSION.....	64
BIBLIOGRAPHY.....	67

## LIST OF FIGURES

Figure 4.1	Percentage of students who pay with vouchers.....	34
Figure 4.2	Students who require vouchers.....	35
Figure 4.3	Revenue sources.....	36
Figure 4.4	Center capacity.....	38
Figure 4.5	Change in enrollment during the pandemic.....	39
Figure 4.6	Cross Tabulation I.....	42
Figure 4.7	Cross Tabulation II.....	43

## **LIST OF ABBREVIATIONS**

**CCCAP** – Colorado Child Care Assistance Program

**CCDBG** – Child Care Development Block Grant

**CCPP** – Child Care Payment Program

**DECC** – Division for Early Childhood Care

**MDHS** – Mississippi Department of Human Services



## CHAPTER I

### INTRODUCTION

Mississippi's Child Care Payment Program (CCPP) plays a critical role in providing access to early childhood education and daycare services to many Mississippi families. The vouchers essentially serve as a certificate, with the state of Mississippi paying the difference between the cost of tuition and the actual dollar amount parents are required to pay (Royals et al., 2021). Voucher funds are deposited directly into the accounts of providers and parents may be required to pay a copay if they do not qualify for full tuition assistance. The voucher program experienced a massive jolt during the coronavirus pandemic, when the 25 hour per week work requirement was temporarily lifted (Wolf et al., 2021). This was in part enabled by a considerable increase in available funding because of federal dollars from the American Rescue Plan and ensuing COVID relief appropriations (Royals et. al, 2021). Despite receiving almost half a billion dollars from the federal government in the Child Care Development Fund block grant in 2021, the state of Mississippi announced that it would be reinstating the work requirements in 2022. This decision led an estimated 4,000 Mississippi children to lose voucher eligibility (Wolf et al., 2021). While the loss of access to safe and reliable child care is heartbreaking, it provides a unique opportunity to study how the Mississippi Child Care Payment Program impacts child care providers in the state.

In Mississippi and across the country, parents struggle to afford child care. Nationally, parents spend an average of \$8,355 on child care annually per child under 6 years old. (Leonhardt, 2021). This cost is, of course, more burdensome to certain families. Leonhardt's report revealed that while two parent households on average dedicate 10% of their total income

to child care, that figure increases to 34% for single parents (Leonhardt, 2021). Lack of affordable child care most negatively affects low income women who lose their livelihoods when they lose their childcare. Women are more likely than men to be working in low wage jobs without paid leave protections and irregular hours, according to the Center for American Progress. This is even more pronounced when you look at Black, Latina, and Indigenous women, who are disproportionately the sole income earners in their households and experience a more extreme wage gap compared to white men (Center for American Progress, 2021). The instability of this system can be traced to several key factors.

One problem driving the child care crisis is the trouble many parents experience when trying to find a child care facility. Not only are many child care options out of budget for many parents too often, the centers simply do not exist. The Center for American Progress reported that over half of American parents had difficulty finding adequate child care in 2016 (Center for American Progress, 2021). While cost contributes the most to lack of access, the second obstacle most commonly cited was a lack of open slots. According to Mississippi Today, when thousands of Mississippi parents lost their eligibility for the Child Care Payment Program, providers faced plunging revenue and some were reportedly forced to close (Wolf et. al, 2021). Mississippi's voucher program plays an integral role in keeping child care centers open and slots available.

Many of these issues were only worsened by the coronavirus pandemic. Since the beginning of the pandemic, nearly 16,000 child care facilities have closed nationwide, and this figure is likely an underestimation (Schwiegershausen, 2022). Low pay and substandard conditions have caused over 100,000 child care workers to leave the field during the same time period (Schwiegershausen, 2022). This represents a loss of nearly 1 in 7 child care workers in the span of just a few years (Summerhays, 2022). Importantly, an estimated 95% of child care

workers in the US are women of color who earn \$13 on average an hour (Schwiegershausen, 2022). Worse, the average child care worker in Mississippi earns only \$8.45 per hour, according to the job application website ZipRecruiter. Additionally, while child care is not the only cause, 808,000 women in America left the workforce during the pandemic (Schwiegershausen, 2022). As stated above, lack of access to child care hits women, particularly single mothers, the hardest. America's child care affordability issues are crippling women's ability to enter and remain in the workforce.

It is necessary to state that Mississippi is unique from the rest of the nation, including when it comes to child care. While 14.5% of Americans live below the poverty line, nearly 20% of Mississippians do, according to the 2020 US Census. Also according to the US census, the median income in the US is \$31,333; in Mississippi it is \$25,261. Around 14% of the US population identifies as Black; Black people make up 36% of Mississippi's population, the highest percentage in the nation. Mississippi's higher than average poverty rates affects some groups more than others. A staggering 76% of Mississippi's Black children are designated as "low income," compared to 39% of children in White families (Fletcher, 2018). Regarding child care, while the average US family spends 10% of their income on child care, Mississippi families on average dedicate 22% (Wolfe, 2021). The impact of generational and systemic poverty means not only that a large percentage of Mississippi families need help paying for child care, but that the state is lacking in resources to address this need. For these reasons, Mississippi relies on federal dollars to subsidize child care.

My thesis seeks to discover how the CCPP program impacts Mississippi's childcare landscape. By collecting survey data from childcare providers throughout the state, I assessed the

degree of the program's importance to children, families, and providers. I used this data to then construct policy recommendations that I believe can strengthen the program.

## CHAPTER II

### BACKGROUND

Before conducting my research, I needed to familiarize myself with the current state of child care in Mississippi, as well as the specifics of the CCPP program. This chapter will provide a broad overview of the mechanics of the program and information on its various funding sources at the state and federal level.

#### **PROGRAM OVERVIEW**

The CCPP receives its funding through the federal Child Care Development Block Grant (CCDBG). This program was signed into law in 2014 with the goal of providing states with money to create programs to increase child care access (Child Care Aware, 2022). The Child Care Development Block Grant provides states with funds to subsidize child care for families that earn up to 85% of the state's median income (Child Care Aware, 2022). States are given discretion in how to distribute the federal funds. However, facilities that receive CCDBG funds, which includes all facilities in Mississippi that accept CCPP, are required to follow health and safety requirements outlined in the CCDBG (Child Care Aware, 2022). A majority of Mississippi families – 62% – meet the federal income requirements to be eligible for CCDBG funds (Fletcher, 2018). However, not all of these Mississippians are actually served by CCDBG because states are able to impose additional eligibility requirements. A more in depth explanation of CCPP eligibility will be discussed below.

In Mississippi, center based child care facilities such as child-centers, nursery schools, and preschools are regulated by the Mississippi State Department of Health. This means that they undergo a number of health and safety inspections before they can be licensed by the state of Mississippi. Parents can use childcare vouchers at licensed centers or licensed family-based care,

where childcare is provided from the provider's home. However, vouchers can not be used for in-home care when the provider comes to the child's house and provides private care. Providers who wish to be eligible to accept vouchers must apply through the Mississippi Department of Human Services, attend mandatory training, and attend 15 hours of professional development each year (MDHS, 2022).

Mississippi was able to lift the CCPP work requirements from April 2020 to April 2021 because of increased funding from the CCDBG. The CARES Act was a large piece of federal legislation aimed at stimulating and supporting the American economy in light of the coronavirus pandemic. The bill allocated an additional \$1.9 trillion on top of stimulus funds from the CARES Act, passed in March 2020 (US Department of Health and Human Services, 2022). Of this \$1.9 trillion, \$15 billion was directed to the CCDBG (Wolfe, 2021). The state of Mississippi received \$319.5 million in 2021 to distribute to child care providers and programs. Approximately \$200 million of these funds were directed through the CCDF, which funds the voucher program. The remaining money was given to the state to distribute to child care providers in the form of "stabilization grants" (Wolfe, 2021). Providers were not required to accept CCPP vouchers to receive grant funding, but had to be licensed by the state of Mississippi (MDHS, 2020). An estimated 1,100 centers received stabilization grants and 86,400 children received CCPP vouchers or other accessibility aid (US Department of Human Services, 2022). In April 2020, MDHS's child care division issued a COVID-19 emergency policy which suspended the 25 hour work week requirement (Wolfe, 2021). Despite the state and federal dollars appropriated to stabilize the child care industry, approximately 72% of child care centers in Mississippi closed at some point during the pandemic, while 80% reported decreased capacity and 78% reported diminished revenue (James, 2022).

In April of 2021, Governor Reeves dropped the state of emergency designation for the child care industry and normal requirements were reinstated (Wolfe, 2021). Parents who did not meet the reinstated work requirement were given 60 days to find sufficient work or otherwise prove eligibility or have their vouchers revoked (Wolfe, 2021).

## **APPLICATION AND ELIGIBILITY**

It is important for researchers to have a thorough understanding of the mechanisms of the Mississippi Child Care Payment Program. According to the Mississippi Department of Human Services (MDHS), the voucher program is funded with federal dollars and distributed through the Division for Early Childhood Care (DECCD) (MDHS, 2022). It is through this department that parents or guardians can apply to receive vouchers and providers can register to be eligible to accept vouchers as payment. Under current guidelines, parents must make 85% or less of the state's median income, which is \$56,641 for a family of four (MDHS, 2022). Parents must also work 25 hours per week or be enrolled in an approved educational program to be eligible (MDHS, 2022). However, meeting the eligibility requirement does not guarantee that the DECCD will approve the application.

According to the Mississippi Department of Human Services, there are four "priority groups" in the application process. The highest priority group is 'Priority I: Referred Clients.' Families within this priority group are given preference over other applications should there be a shortage of funds. There is almost never enough CCPP dollars to fund all eligible applicants. Clients in Priority Group I are "referred" because of their participation in several other federal, state, or non-profit programs. These programs include Temporary Assistance for Needy Families (TANF), Transitional Child Care (TCC), Foster or Protective Services, Healthy Families Mississippi, or organizations that work with unhoused families (MDHS, 2022). The referring

agency, rather than DECCD, determines whether the individual is eligible for CCPP vouchers. In addition to meeting the work and income requirements for CCPP, the client must also continue to meet the eligibility requirements of the original referring agency (MDHS, 2022). For example, if a client loses their Temporary Assistance for Needy Families (TANF) status, it could jeopardize their eligibility to receive child care vouchers. TANF and CCPP are further connected, as the state is allowed to allocate federal TANF dollars to the CCPP program.

The second group is identified as ‘Priority II: Special or At-Risk Populations.’ In addition to meeting the previously stated requirements, families must have a child with “special needs”, have a parent with “special needs,” or have at least one parent deployed in the US Armed Services, National Guard or Reserve (MDHS, 2022). There are additional administrative requirements for applicants who wish to be designated at Priority II. Single parents who claim to have “special needs” must “be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months,” (MDHS, 2022). If a parent with special needs is married, their spouse must fulfill the 25 hour work requirement (MDHS, 2022). Additionally, parents who want to claim special needs status must qualify for and bring documentation of enrollment in the Social Security disability program (MDHS, 2022). Similarly, parents deployed in the US Armed Services must provide paperwork proving their deployment and active duty status. These parents must still meet the income eligibility guidelines, regardless of current military status (MDHS, 2022). Although clients designated under Priority II have an increased chance of receiving a child care voucher, they are also required to do more paperwork.



The third group is ‘Priority III: Very Low Income.’ To qualify for this designation, parents or guardians must earn 50% or less of the state’s median income, in addition to meeting other eligibility requirements (MDHS, 2022). Within this group, teen parents and parents enrolled in an approved educational program receive priority. If a teen parent wishes to apply for this designation, they must register independently from their parents. Teen parents must be enrolled full time in high school or another equivalent educational program. Importantly, if the teen parent lives at home, their parents (the child’s grandparents) must meet the CCPP guidelines. This requirement is waived if the grandparents meet the disability status detailed above, proved with relevant paperwork from the Social Security Administration. If the teen is emancipated, they are required to fulfill the work or educational requirement (MDHS, 2022).

The last and least prioritized subsection of applications is ‘Priority Group IV: Low Income.’ This group includes anyone who does not fall into the previously listed categories but meets the income and work requirements (MDHS, 2022). The DECCD states that these clients will be approved for vouchers “based on the availability of funding,” (MDHS, 2022).

Just as an application to the DECCD does not guarantee that a parent or guardian will receive a voucher, a voucher does not guarantee that child care will be free. Instead, most parents are responsible for a copay: the difference between the dollar amount of the voucher and the actual market rate of child care (MDHS, 2022). At the start of each month, eligible and approved parents receive a child care certificate for a specified amount from the DECCD. The dollar amount of the voucher is determined based on the child’s age, the parent’s priority status, and the number of hours of care received each week. ‘Priority I: Referred Clients’ receive vouchers that cover full tuition and do not owe a copay (MDHS, 2022). A variety of other specific groups across priority statuses are charged no more than \$10 a month. For example, if a parent is

designated as qualifying for the copayment cap and has three children, they will pay \$3.33-\$3.34 per child per month (MDHS, 2022). Those eligible for the payment cap include teen parents, children served by the Mississippi Department of Child Protective Services, parents who receive Social Security disability payments, and children with special needs (MDHS, 2022).

For parents who do not qualify for the \$10 cap, the Child Care Monthly Co-Payment Scale is used to determine the copayment. Parents, with an annual income of \$27,000 or higher for a family of four are required to pay a copay of \$105-\$281 per month (MDHS, 2022). Any family of four who earns less than this income does not have a copayment. These rates are calculated based on a percentage of a family's income. For example, a family of four that makes more than \$27,000 a year but less than 50% of the state median income has a copayment equal to 4.5% of their monthly income (MDHS, 2022). Though these fees are a considerable monthly expense for families living below the poverty line, they are far below the going market rate for child care.

Many Mississippi families fall through the cracks in subsidized child care programs. While approximately 100,000 children in Mississippi are eligible to receive child care vouchers, only 17,000 were enrolled in the program in 2017 with 21,600 children designated as "pending funding," (Fletcher, 2018). This means that families had successfully filled out application forms and were deemed eligible, but were not part of a high enough priority group to actually receive vouchers. However, due to an increase in funding from the Child Care Development Block Grant, the state was able to clear the backlog by the end of 2018 (Gates, 2018). While there is currently no waitlist to receive vouchers through MDHS, parents frequently have to wait long periods to receive them. The MDHS eligibility determination process often takes a long time; a survey by the Mississippi Low Income Child Care Initiative found that 59% of CCPP applicants were

placed on waitlists at CCPP accepting facilities due to their pending eligibility status (Mississippi Low Income Childcare Initiative, 2023). Children whose families fall into lower priority groups have a particularly difficult time getting their eligibility determined and receiving vouchers. As described above, the CCPP application process is multifaceted and requires a significant amount of paperwork. This has caused MDHS to become overwhelmed with applications which in turn often creates frustrating experiences for both child care providers and parents.

Every year, MDHS conducts what is called “redetermination” on all of its clients. Every family receiving a child care voucher is reviewed to see if they still meet eligibility requirements for the program. While it is difficult to get approved to receive a voucher even if one does qualify, it is very easy to have your eligibility revoked. For example, providers are required to report any parent suspected of unemployment to the MDHS. In 2018, one parent changed her ID to match a new address, but since this change was not reflected in the MDHS system, she lost her child care vouchers (Fletcher, 2018). In the same year, many parents were rendered ineligible because of an updated proof of residency requirement that many were not made aware of (Fletcher, 2018). Some low income parents were kicked off of vouchers because of failure to supply documentation such as a utility bill. Many clients claim that the computer system at MDHS is outdated and often “loses” information. I went through the first steps of the application process to see what it looks like and can attest that it is done almost entirely online with little to no human interaction to guide you through the process. Overall, the CCPP application process is viewed by many to be inhumane, bureaucratic, and unnecessarily confusing.

In 2018, a single parent that was approved to receive vouchers and then later told, inexplicably, her application was never received. She then lost her job because she was unable to find affordable child care (Fletcher, 2018). One often cited problem is the requirement that if

parents are not together, the non-custodial parent must pay child support for the family to be eligible to receive a voucher (James, 2022). Pursuing child support is often a tedious and expensive process that can take years to be settled through the judicial courts. Like many means-tested social programs, it can often feel like CCPP discourages parents from earning more money. One parent was kicked off in 2018 because her income was \$5 above the eligibility ceiling (Fletcher, 2018). All told, during the most recent redetermination period, an estimated 4,100 families lost their voucher status (Wolfe, 2021).

To be able to receive CCPP vouchers as a valid form of payment, child care providers must also meet eligibility guidelines. This information can be found in the “Child Care Payment Program Policy Manual,” published in 2018 by MDHS. These requirements include being registered as a Mississippi child care provider, conducting background checks on all employees, and undergoing CCPP training from MDHS orientation. Not all facilities eligible to receive CCPP must be licensed; license exempt providers include centers with fewer than six children, those that are open a maximum of two days per week, and those that are open for three or fewer weeks per year (MDHS, 2018). The orientation conducted by MDHS teaches providers about the administrative processes of receiving vouchers as well as emergency training such as CPR. Health and safety requirements include passing annual state-conducting inspections, meeting fire prevention criteria, and maintaining records of employee and child vaccinations. Additionally, centers must produce a “learning plan” that outlines how their facility will help in the social, educational, and emotional growth of children (MDHS, 2019).

To maintain eligibility status, providers must be able to continuously produce accurate attendance records. Each month, providers electronically provide evidence to DECCD of the number of hours of care provided to CCPP children; the state then reimburses the facility.

Reimbursement rates are based on the center’s standard tuition, the type of care provided, and the age of the child (MDHS, 2019). Centers are required to charge CCPP families the same rates as non-voucher families. These rates are reviewed by MDHS every three years to determine if they are “fair” compared to the state’s average market rate for child care. School age children, as well as those who attend other publicly funded programs such as Head Start, are reimbursed at a reduced “part-time” rate (MDHS, 2019). However, care for school aged children can be reimbursed at a full time rate when school is not in session. This was especially relevant during COVID, when all public schools in Mississippi were closed for a period of time. Families can receive part-time reimbursement until children turn 13, or 19 for children designated as having “special needs,” (MDHS, 2019).

The application and redetermination issues described in the previous section can also affect child care providers. The stringent requirements and resulting changes of eligibility status for families make it hard for providers to predict their yearly revenue. Centers that depend on vouchers to pay maintenance, staff, and rental costs are often blindsided whenever a family loses its eligibility (Fletcher, 2018). It is not uncommon for dozens of children to have their eligibility status revoked at one time at a single facility, drastically decreasing the provider’s revenue. A provider reported in 2018 that she had 50 children “drop out” due to voucher loss in the span of just a few months (Fletcher, 2018). One facility lost \$78,000 because of the instability of voucher eligibility in 2017 alone (Fletcher, 2018). Child care providers are given a two week notice when a child is kicked off of the voucher program (MDHS, 2019). After that, the center will no longer receive any reimbursement for care provided to the child.

Child care is a significant financial burden to families across the country, but especially in Mississippi where wages lag behind the national average and systemic inequalities along

economic and racial lines persist. Child Care Payment Program vouchers are a popular tool to reduce childcare costs for parents, but the application and eligibility processes are arduous and confusing. For reasons including the complicated voucher administered process, subsidized child care does not reach a large number of eligible families in the state of Mississippi. The lifting of the 25 hour work week requirement from April 2020 to April 2021 eliminated one barrier to receiving vouchers, but thousands were made ineligible after this period ended.

## CHAPTER II

### REVIEW OF EXISTING LITERATURE

As policy experts have begun to understand the importance of childcare to the economy as well as other policy goals, they have placed an increased emphasis has been placed on research in this arena. Though the un-affordability and inaccessibility of childcare in the US is well documented, the goal of my research is to discern how child care subsidies affect and hopefully solve these issues. After reading through a significant number of scholarly sources on childcare subsidies, I have identified three main relevant research areas. First, I surveyed research on the impact of childcare subsidies on the parents. Next, I learned about the impact of childcare subsidies on providers, and finally, about the overall success of childcare subsidies and their implementation across the US. Throughout my research, I prioritized sources that are relevant or analogous to Mississippi's Child Care Payment Program.

#### PARENTS AND CHILD CARE

Important research has been conducted in Mississippi and around the country to see how child care vouchers affect both the parents who are covered by the program and those who are denied access. A 1998 study by Pearlmutter and Katona surveyed low income women in one Ohio County with the goal of identifying what kind of subsidies parents would most prefer. The interviews and surveys concluded that most mothers would prefer a program that would allow them to put subsidy dollars towards childcare performed by relatives and friends. In fact, choice in childcare provider was one of the most frequent desires expressed by the women surveyed (Pearlmutter and Katona, 1998). Though these women preferred being able to place their children with caregivers they trusted, this form of childcare would not necessarily be accredited by the government, making it slightly harder to legislate (Pearlmutter and Katona, 1998). The

women surveyed also prioritized safety, over learning or brain development when choosing a childcare provider (Pearlmutter and Katona, 1998). Another study conducted around the same time found even further nuance in the childcare preferences of low income parents. Piecyk's 1999 study analyzed the use of child care vouchers in Illinois and Maryland by parents who also received other forms of government assistance. The research found that while parents sought in-home, often unlicensed, care for infants, center based care was the most common option for children aged four to six (Piecyk, 1999). This suggests that center-based care is the most desirable option for low income parents with preschool age children. Information on what parents want from government childcare subsidies is pertinent to my research, as I plan to assess the quality of Mississippi's program. It is however important to acknowledge that this study was conducted over two decades ago and that research conducted in urban areas may not be wholly generalizable to the state of Mississippi.

A more localized study of Mississippi's CCPP was conducted by Thompson in 2013. This researcher set out to understand the childcare decisions of low income, Black mothers in Indianola, Mississippi. Thompson's research question was important to my own formulation of my thesis topic: *What institutional processes influence the experiences of low income, Black mothers in Indianola?* Alongside providing helpful research design ideas, Thompson's findings are relevant to my research on childcare in Mississippi. Thompson found that Black women in Indianola experienced long wait-lists and other difficulties accessing childcare vouchers (Thompson, 2013). The practicalities of accessing child care subsidies in Mississippi is essential to understanding my research topic. Specifically concerning the Child Care Payment Program, Thompson found that many mothers gave up on accessing childcare vouchers simply because the process was so tedious and time consuming (Thompson, 2013). Though my goal is to research



the impact of the CCPP on providers, understanding user access is necessary to my knowledge of the childcare landscape. Overall, Thompson concluded that although there were sufficient childcare options in Indianola, the bureaucracy of the CCPP program rendered childcare far too inaccessible (Thompson, 2013).

Further research has revealed inadequacies in the distribution and utilization of CCPP vouchers in Mississippi. Low income families in Mississippi essentially have three government sponsored options for lower cost childcare: Head Start, public pre-k, and childcare vouchers. However, the Mississippi Low Income Child Care Initiative found in 2017 that 7 in 10 eligible Mississippi children under 5 years did not attend or utilize any of these programs (Mississippi Low Income Child Care Initiative, 2017). The report also found that relatively few eligible low income families received CCPP vouchers. According to MLICCI, only 5% of children with qualifying family income received CCPP vouchers in 2017 (Mississippi Low Income Child Care Initiative, 2017). Furthermore, CCPP vouchers are distributed by “priority group,” mentioned in the ‘Background’ section of my thesis. A 2019 study by Mississippi State University found that the likelihood of parents in the “lower priority” groups receiving vouchers was greatly influenced by the number of total vouchers issued in a given month (Mississippi State University, 2019). Since the number of vouchers distributed each month fluctuates, “lower priority” parents’ eligibility is especially unstable. Fluctuating funding streams and allocations from the state government have meant that the Mississippi Department of Human Services often issues a variable number of vouchers from month to month. The Mississippi State study found that for parents in lower priority groups, the availability of a CCPP voucher next month is never promised (Mississippi State University, 2019). It is crucial to note that although many

Mississippi families are eligible for childcare vouchers, a combination of factors have kept utilization rates low.

However, modifications to CCPP vouchers during the pandemic have reportedly had some positive impacts on accessibility. In an article on the implementation of the Child Care Development Block Grant Funds received from the federal government through American Rescue Plan, Mississippi Today noted some parental satisfaction with vouchers. A child care provider from Hattiesburg noted that the increased availability of the vouchers made possible through the loosening of eligibility requirements during the pandemic allowed parents to “receive free quality childcare in a safe and nurturing environment,” (Wolfe, 2022). However, the increased dollars and lowered eligibility requirements were not permanent features of CCPP but rather pandemic measures that were phased out in April 2021.

A different report on the usage of CCPP vouchers both during and outside of the coronavirus pandemic found several barriers to access. One issue cited frequently by users was the child support requirements. When a single parent applies for a CCPP voucher, the Mississippi Department of Human Services requires that the parent first pursue child support from the non-custodial parent (James, 2022). Seeking child support through the legal system, can be costly and in some cases very difficult for a plethora of reasons. This is just one provision that has made it difficult for single parents to receive CCPP vouchers.

In addition to the impacts of childcare accessibility to the individual, I also surveyed research about the effect of childcare subsidies on other aspects of parents’ lives. It is important for researchers not only to identify the need for accessible childcare, but also forces that drive demand. Research conducted by Ficano found that the availability of childcare subsidies had a positive impact on employment rates of recipient parents. Ficano concluded that use of child care

subsidies decreases the average time a parent is unemployed by up to 34% (Ficano et al., 2006). In other words, using a childcare subsidy helps parents who are “between jobs” become re-employed faster. Furthermore, the use of a childcare subsidy had the strongest effect on re-employment for recipients with the lowest incomes (Ficano et al., 2006). This research affirms the importance of my thesis research.

## **CHILD CARE PROVIDERS**

The second area existing research focuses on is the impact of childcare subsidies on providers. As there is no national child care subsidy or voucher program in the US, the current policy landscape consists of a variety of approaches across the 50 states and the District of Columbia. The federal government allocates money for states to use for childcare assistance through a variety of channels, but it is ultimately up to the states to decide how that money will reach providers. In California, childcare providers who receive federal funding can choose to receive it solely through voucher acceptance, similar to Mississippi’s program, or through federal programs like Head Start. A 2007 study by Whitebook examined the differences between the two types of programs and importantly, focused on staffing differences in voucher centers versus federal programs. Whitebook found that employees at childcare centers that received no federal funding whatsoever were most likely to have attained a bachelor’s degree or higher, at 32% (Whitebook, 2007). These private centers are more likely to have a client base with a higher average income because they are paying full tuition without any public subsidies. Federally contracted centers like Head Start came next in educational attainment with 28% of provider staff holding at least a bachelor’s degree, while voucher accepting centers lagged behind at 20% (Whitebook, 2007). Whitebook attributes these differences to licensing requirements, while staff at voucher- accepting centers have earned 12 credit hours of early childhood education courses,

federally contracted teachers must have earned at least 24 credits to be considered certified (Whitebook, 2007). Although California is far different from Mississippi, it was helpful to see how centers that receive federal money may be devalued or overlooked by policy makers because of the demographic they serve. This research is very important to my topic, as I will also be examining several issues surrounding work requirements for staff at childcare centers that accept vouchers.

Other states that utilize similar childcare voucher or coupon systems provide important insight applicable to Mississippi. Colorado's Child Care Assistance Program (CCCAP) is very similar to Mississippi's CCPP. A 2001 policy analysis of CCCAP found that tuition vouchers from the state were worth less than the market rate of childcare (Colorado Office of Resource and Referral Agencies, 2001). To offset the financial burden, childcare centers that accept CCCAP vouchers were found to limit the number of CCCAP children permitted to attend, while others chose not to accept vouchers at all (Colorado Office of Resource and Referral Agencies, 2001). Additionally, some child care providers surveyed claimed to have raised tuition for children paying out of pocket to offset the cost of accepting vouchers. Calculations from the researchers found that Colorado child care providers would have to work an average of two additional weeks per year to earn the same amount of money from CCCAP children and those who pay out of pocket (Colorado Office of Resource and Referral Agencies, 2001). An important distinction between the Mississippi and Colorado vouchers is that Colorado caps the total dollar amount that a voucher can be worth, while Mississippi does not. The Colorado study provides important information on how the market value of CCPP vouchers may affect their acceptance at Mississippi child care centers.

A study that delved into the potential impacts of expanding access to employment opportunities yields crucial information about Mississippi's CCPP. A study by Bastien is the piece of research most related to my thesis topic. Bastien's study highlighted Darla, a childcare provider in Jackson, whose business is dependent upon childcare subsidies. According to Bastien, Darla was considering closing her business due to the inconsistency and instability of the CCPP (Bastien et al., 2018). The regulations and eligibility requirements force parents out of the program, according to Darla, which in turn affects the revenue of her childcare center (Bastien et. al, 2018). This interview with Darla constitutes the sole existing academic research about the voucher program's effect on child care providers that I found. The goal of my thesis is to fill this knowledge gap.

## **POLICY IMPLEMENTATION**

The third field I surveyed was the overall success of child care subsidy program implementation. That is, I looked into whether child care subsidy policies are generally effective in expanding access to childcare. In the early 1990s, the JOBS Act provided federal dollars for states to allocate towards childcare with the goal of increasing female workforce participation (Hagen and Lurie, 1993). JOBS program participants were enrolled in workforce training and given vouchers to offset the cost of childcare while parents were enrolled in the training. These federal dollars represented one of the first times Congress acknowledged how integral childcare is to female labor force participation. Researchers studied JOBS Act childcare voucher usage in Texas and found that the federal funding led to a 7% increase in female employment (Hagen and Lurie, 1993). This data seems to suggest the JOBS Act met its goal of increasing workforce participation. Demand for childcare vouchers during workforce training was so great that in both Texas and Tennessee policy researchers found that the states had to restrict access to JOBS Act

opportunities (Hagen and Lurie, 1993). One notable flaw of this program that researchers found was that rural areas were much more likely to have an insufficient number of providers to service all of the voucher participants (Hagen and Lurie, 1993). This research suggests that childcare vouchers can meet the goal of increasing female workforce participation, but again underscores the fact that rural areas face unique challenges. This point is important to my assessment of Mississippi's voucher programs.

An important distinction to draw in the study of government child care options is the difference between child care vouchers and subsidized contracts between the government and providers. Federal child care dollars are distributed through the Child Care and Development Block Grant, which states can use for programs of their choice, either vouchers or subsidized contracts. Subsidized contracts are carried out between state governments and child care centers; a state government pays an upfront rate for a certain number of subsidized child care slots and qualifying parents can apply to enroll their children in these facilities (Bipartisan Policy Center, 2021). Many states, such as New York, have a hybrid model of child care subsidization, so researchers in 2012 set out to determine whether funding for vouchers or contracts was more stable on a year to year basis. The researchers found no difference in the revenue stability between providers who received contracts and those who received vouchers (Holod et al., 2012). This is important because stable funding allows child care centers to make long-term investments in the education of their workforce, their facilities, and their educational materials (Bipartisan Policy Center, 2021). Similarly, a study out of Wisconsin found that utilization rates of vouchers depended highly on the availability of state funding (Wisconsin Council on Children and Families, 2016). The study found that 'YoungStar' vouchers made a tangible positive impact on the quality of Wisconsin child care, but results fluctuated greatly depending on how much money

the state legislature allocated for the program each year (Wisconsin Council on Children and Families, 2016). Establishing a secure funding stream for child care providers is crucial.

One important aspect of policy program evaluation is assessing public perception. To better assess the success of childcare programs, I looked into existing research on how the public feels about the issue. Researchers have found that racial and gender bias persists in the creation of social welfare programs, like child care. Social scientists concluded that Americans are more likely to view a social program favorably if the majority of beneficiaries appear to be White rather than Black (Cassese and Barnes, 2019). Furthermore, heightened bias against social welfare programs arises when beneficiaries appear to be Black mothers specifically (Cassese and Barnes, 2019). The demonization of Black mothers drives many efforts to weaken America's social safety net. It is extremely important to my thesis to know that support for white mothers who receive childcare assistance is significantly higher than Black mothers who receive the same support (Cassese and Barnes, 2019). A large portion of applicants and recipients of childcare vouchers in Mississippi are Black women, and acknowledging prejudice against this group is essential in order to apply an intersectional lens to my work. When evaluating the success of Mississippi's Child Care Payment Program, it can not be disregarded that programs like it are often underfunded because of public perceptions surrounding race and gender.

Further policy evaluation of childcare subsidy and voucher programs across the country yields important information. In a study mentioned above, researchers found that when asked about the design of child care subsidy programs, parents answered that usage of subsidies is dependent upon the opportunity to exercise choice, the accessibility of childcare centers, cost of care, and accurate information about the program presented in a timely manner (Pearlmutter and Katona, 1998). The same study concluded that childcare voucher recipients recommended that

access to childcare subsidies be non-time intensive and allow for parental choice (Pearlmutter and Katona, 1998). Any of the policy recommendations my thesis may yield will be if they do not encourage use of the childcare voucher program. When formulating my conclusions, it is important that I take lessons learned from prior studies of similar programs into account.

After surveying existing research on the impact of childcare subsidies to parents and providers as well as the success of childcare subsidy policies overall, I have identified how my thesis will contribute to this area of research. Most importantly, my thesis will center childcare providers. Existing research surrounding childcare vouchers is largely focused on parent recipients rather than the providers who accept these state dollars. To my knowledge, no formal academic research has been conducted specifically on the effect of Mississippi's Child Care Payment Program on the provider rather than the parent. Second, by conducting my survey in Mississippi, it is my hope that my thesis will make rural childcare providers a priority rather than an afterthought. Existing research yields background knowledge and findings that are essential to the formulation of my thesis, but I also believe that my work will fill a gap in academic knowledge about childcare voucher programs.



## CHAPTER III

### RESEARCH DESIGN

This paper seeks to determine the effect of Mississippi's Child Care Payment Program on childcare providers during the coronavirus pandemic. I created my sample through a system of stratified sampling. The initial stipulation when choosing providers was that they were center-based rather than in-home or family-based. I chose to survey center based providers because they are licensed and regulated by the state. After randomly selecting eight counties throughout the state as well as intentionally choosing Lafayette County, I collected email addresses of government regulated providers from the Mississippi Department of Human Services' provider database. I designed a set of questions with the intent of assessing the impact of CCPP vouchers to care facilities. I sought and was granted IRB approval through the University of Mississippi. To collect data, I sent an online survey through the Qualtrics platform to a relevant population of childcare providers. I sent my initial email with a link to the survey on September 19th, 2022, as well as two follow up emails on October 3rd and November 14th.

First, I had to decide which counties I would survey across Mississippi to create a representative sample. The only county I selected purposely was Lafayette County where the University of Mississippi is located. I chose to survey providers in Lafayette County because it is where I am located and I was interested in collecting this data. For the rest of the counties, I used a random number generator and asked it to pick a number between 1 and 82 (the number of counties in Mississippi); then I used an alphabetical list of Mississippi counties. Next, I collected the contact information from every center based child care facility in the selected county. I repeated this process until I reached a desirable sample size of 265 facilities to contact. The counties that were randomly selected (other than Lafayette) were Quitman, Panola, Lamar,

Union, Tippah, and Hinds. These counties are diverse geographically, racially, economically, and in terms of population. For example, according to the 2020 US Census, the population of Quitman County is 7,038 while the population of Hinds County is 235,604. Quitman County is nearly 73% Black while Lafayette County is 72% White. Panola and Quitman Counties are located in the Mississippi Delta, while Hinds County largely encapsulates the state capital of Jackson; Tippah, Union, and Lafayette counties are in north Mississippi; Lamar County is in the south. Surveying these areas allowed me to collect a diverse and representative data set that reflects childcare providers across the state.

I chose to survey both facilities that accept Child Care Payment Program vouchers and those that do not. I wanted to be able to compare data across multiple areas like hours of operation, change in attendance during the coronavirus pandemic, and maximum enrollment capacity between both types of facilities. The Mississippi Department of Human Services' database allows you to distinguish between facilities that accept vouchers and those that do not, which was very helpful when I was collecting data. It is important to note that the majority of Mississippi child care facilities do accept Child Care Payment Programs as a valid payment method. Therefore, nearly 73% of the facilities I contacted accept CCPP vouchers. This is representative of the larger childcare landscape in Mississippi.

The questions in my survey deal with a variety of variables. I drafted questions based on data I wanted to collect surrounding the lifting of the work requirement, the differing operational capacities of different types of centers, and how childcare providers use CCPP funds. It was important to me to keep the questions and survey short, as there are few people busier than child care providers. I collected both qualitative and quantitative data. The goal of the questions was to determine how the voucher program impacted facilities' ability to provide child care during the

pandemic, as well as how the funds are generally used. I asked the same questions to those who accept CCPP as those who do not in order to compare data across categories. The survey was completely anonymous. Although access to a computer is not necessarily a given, the CCPP program is administered solely through the internet so many providers must have access to the internet. For the complete survey, see Appendix S.

## CHAPTER IV

### RESULTS

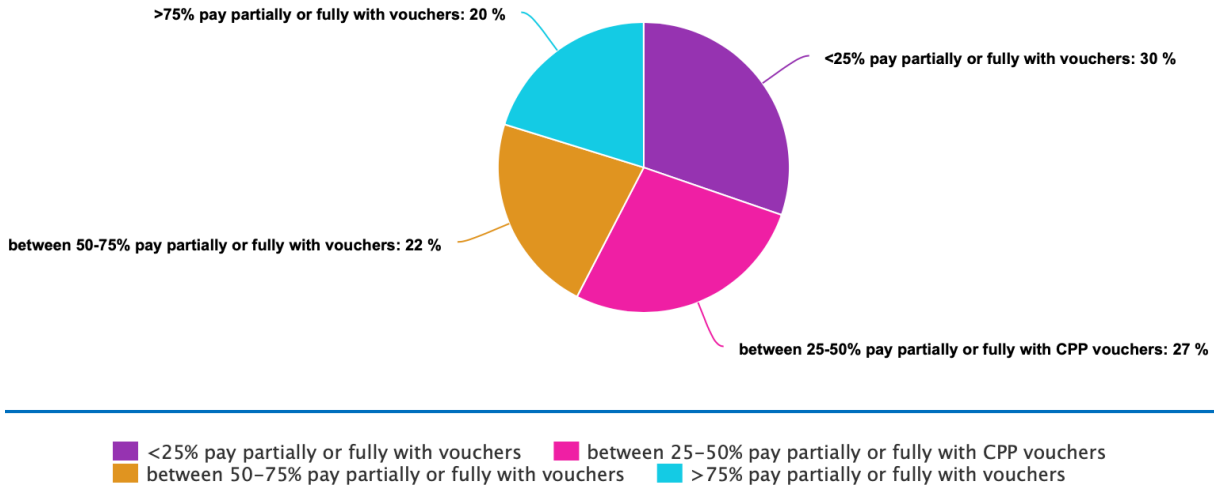
I sent my thesis survey to 262 Mississippi child care providers, selected based on their county of residence and the random number generator described in my Research Design chapter. The survey was open for approximately three months from September to December 2022. In that time, I received 102 responses and a 38% response rate. However, data was only collected from 96 respondents, as six responded “no” to Question 1: “I am over 18 years of age” and were unable to proceed. All respondents who answered “yes” to Question 1 were then asked to complete Question 2: “Do you accept vouchers from Mississippi’s Child Care Payment Program?”. Approximately 84% (81 providers) of survey takers accept CCPP vouchers while 15% (15 providers) do not. Based on their answer to this question, respondents were provided with one of two possible sets of questions, those for centers that accept CCPP and those that do not.

#### **VOUCHER ACCEPTING CENTERS**

The first question only CCPP-accepting providers were asked was “What percentage of your students would you estimate pay partially or fully with Childcare Payment Program vouchers?” Of the 81 respondents, 30% said that fewer than 25% of students pay partially or fully with vouchers, approximately 27% said between 25-50% pay with vouchers, approximately 22% said 50-75% use vouchers, and 20% said more than 75% use vouchers. See Figure 4.1 on page 34.

**Figure 4.1**

**What percentage of your students would you estimate pay partially or fully with  
Childcare Payment Program vouchers?**



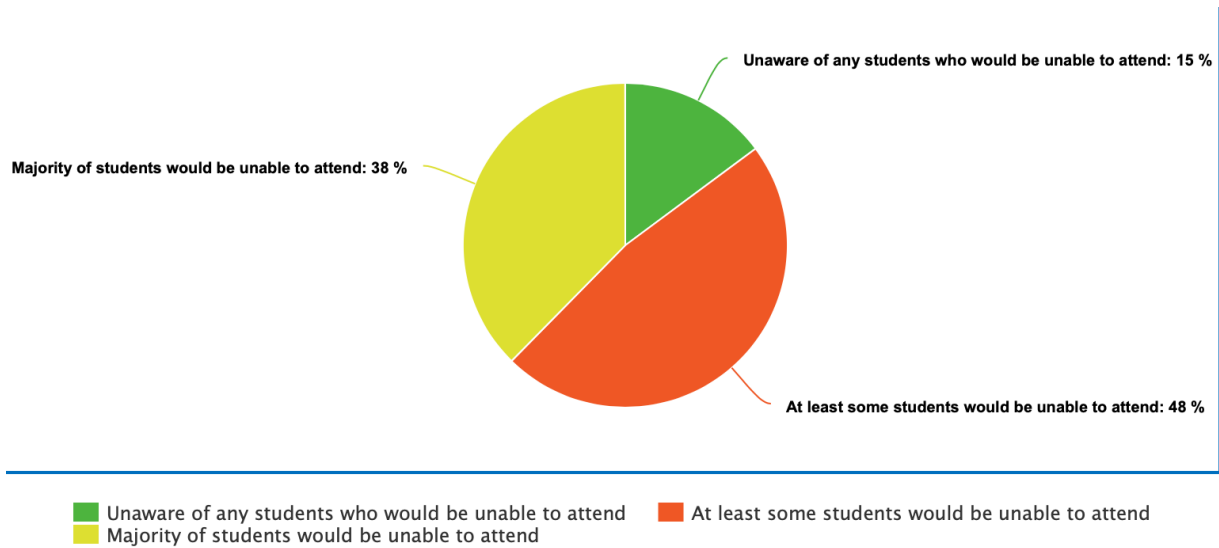
The next question was “How did receiving Childcare Payment Program Vouchers during the coronavirus pandemic affect your facility?”. The most popular answer was that vouchers “allowed me to maintain my previous levels of operation,” with 60% of respondents choosing this answer. 3% of respondents were able to hire additional staff, 5% were able to increase pay for their staff, 2% were able to purchase more educational supplies, and 23% answered that receiving CCPP vouchers did not affect their facility. This question also allowed respondents to type in alternative answers; three chose to do so. They wrote: “I was able to remain open,” “We were not taking vouchers at that time,” and “Supported essential workers in paying a portion of their child care.”

The next question was, “Are you aware of students who would be unable to attend your facility without the use of vouchers?”. Approximately 15% of providers said they are unaware of any students who would be unable to attend, 48% said that at least some of their students would

be unable to attend, and 38% said the majority of children would be unable to attend without CCPP vouchers. See Figure 4.2 below for a visual representation of this data.

**Figure 4.2**

**“Are you aware of students who would be unable to attend your facility without the use of vouchers?”**

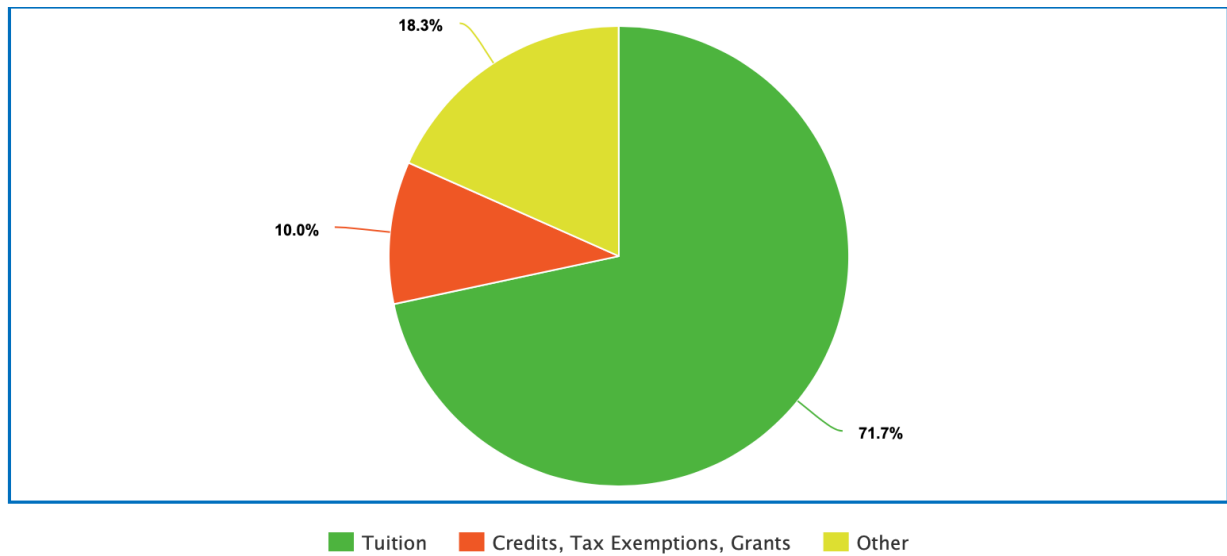


The next question was, “From where do you receive most of your revenue as a facility?”. Approximately 47% of respondents said the majority of their revenue comes from CCPP vouchers, 42% said the majority comes from tuition NOT paid by vouchers, 4% said the majority of their revenue comes from “money from the state in the form of credits, exemptions, funding, or grants.” Five respondents answered “other” and were given the opportunity to type an

answer. Their answers were as follows: “Cash and vouchers,” “Vouchers and tuition paid by parents,” “Both tuition and CCPP,” “Cash from parents,” and “Grants”. See Figure 4.3 below.

**Figure 4.3**

**“From where do you receive most of your revenue as a facility?”**



### **NON-VOUCHER ACCEPTING CENTERS**

While both types of centers were largely asked the same questions in order to compare answers, non-CCPP centers were presented with one unique question. The question asked only of non-CCPP centers was “Why does your facility not accept Childcare Payment Program vouchers?”. Approximately 25% of providers selected “administrative burden,” another 12% selected “cost,” and the remaining 65% answered “Other” and chose to type a response. Three responses indicate that some providers incorrectly selected that they do not accept CCPP vouchers at the start of the survey based on their typed responses. These responses were: “There

are parents needing help to keep a job. Giving them a peace of mind why they work and help them to afford my tuition,” “N/A,” and “We do accept certificates,”

Non-CCPP centers were given an altered version of the question “From where do you receive most of your revenue as a facility?” since they do not accept vouchers. 43% of respondents say they receive most of their revenue from tuition, approximately 6% receive most of their funding from the state in the form of credits, exemptions, funding, or grants, and 11% of providers selected “other.” The typed responses of the providers who selected “other” are: “cash from parents,” and “fundraisers and private donors.”

### **ALL CENTERS**

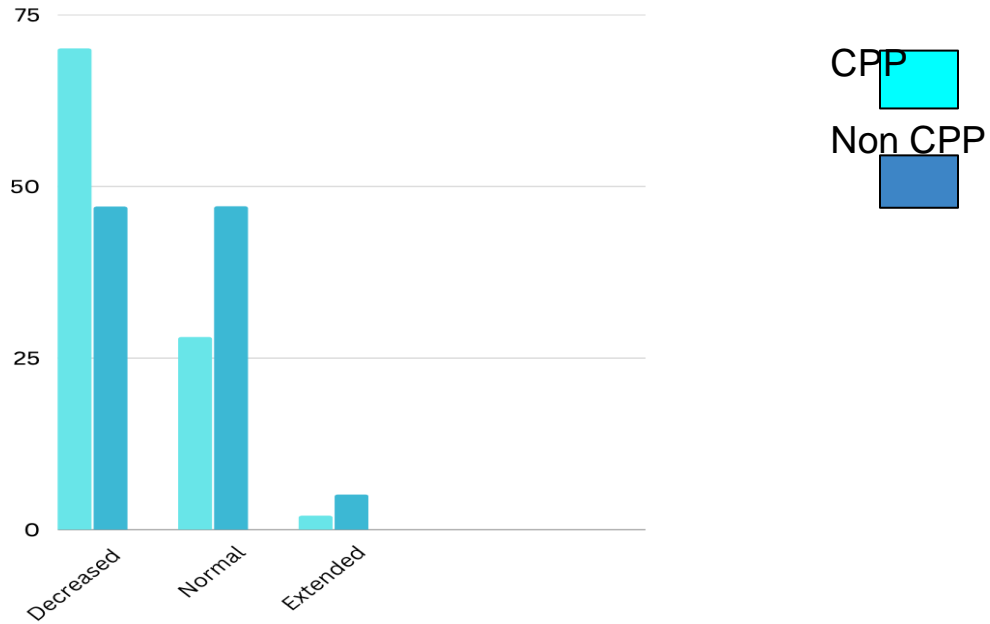
The first question asked of all survey takers was, “Was your facility open between April 2020 and April 2021?”. This was the timeframe when the state waived the 25 hour work requirement. Nearly 87% of CCPP providers responded that their facility was open, while 13% were closed during this entire period. For non-CCPP accepting centers, 85% reported that their facility remained open while 15% were closed.

The next question was, “At what capacity was your center open between April 2020 and April 2021?” Only respondents who answered that their facility was open during this period were shown this question. Approximately 70% of CCPP centers responded that they operated at decreased attendance capacity, 28% operated at normal capacity, and 2% were open at expanded capacity. Of the non-CCPP centers, 47% operated at decreased capacity, another 47% operated at normal capacity, and 5% were at increased capacity. See Figure 4.4.



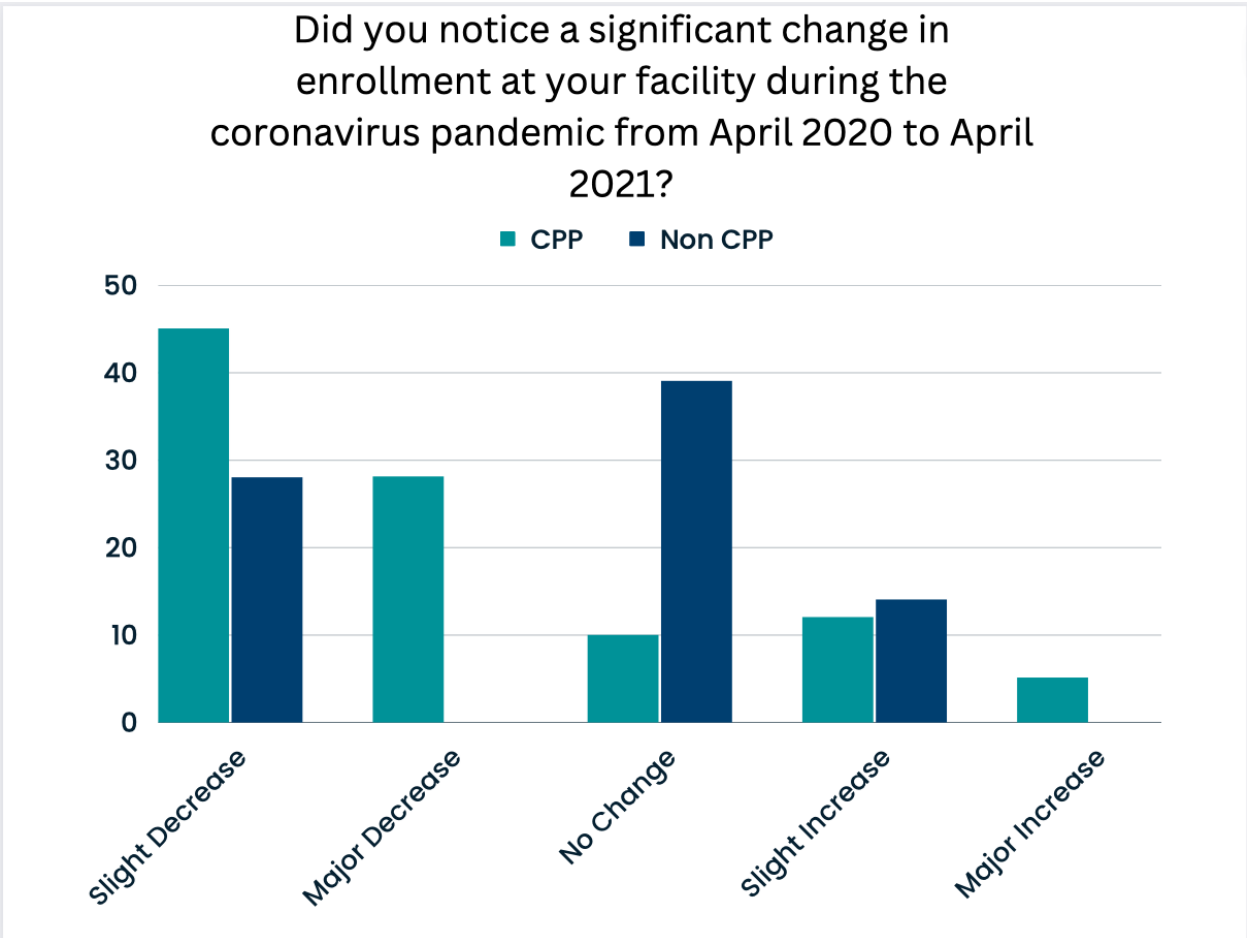
**Figure 4.4**

**At what capacity was your center open between April 2020 and April 2021?**



The next question was “Did you notice a significant change in enrollment at your facility during the coronavirus pandemic from April 2020 to April 2021?”. 28% of CCPP accepting providers noticed a major decrease in enrollment, 45% noticed a slight decrease in enrollment, 12% saw a slight increase in enrollment, 5% saw a major increase in enrollment, and 10% experienced no change in enrollment at their facility during this time period. No non-CCPP providers selected that they experienced a major decrease in enrollment or a major increase in enrollment. 28% of non-CCPP providers experienced a slight decrease in enrollment, while approximately 39% selected “no change.” See Figure 4.5 below for a visualization of this data.

**Figure 4.5**



The next question asked to CCPP providers was, “Are there areas in which you think you could provide better childcare services if you had more money?”. For this question, providers were able to select multiple answers. The most common answer for CCPP providers was “I would hire additional staff,” with 32% of respondents choosing this answer. 20% said they would increase enrollment capacity, 18% said they would pay for more certifications and training for themselves or their employees, 15% said they would purchase more educational

supplies, and 14% answered that they would upgrade or change their facility. No-CCPP accepting respondents indicated “there are no areas that I feel I could provide better childcare services if I had more money.” For non-CCPP accepting providers, the most popular answer was also “I would hire additional staff,” with 30% of respondents selecting this answer. 20% of non-CCPP providers say they would purchase more educational supplies, 18% would pay for more certifications and trainings, 13% would upgrade or change facilities, 11% would increase their enrollment capacity, and 7% indicated there are no areas in which they felt they could provide better services with more money.

The next question was, “How many applications per enrollment period do you typically receive at your facility?”. 57% of CCPP-accepting centers said they receive fewer applications than their enrollment capacity, 10% receive an approximately equal amount, and 33% receive more applications than their enrollment capacity. For non-CCPP centers, 33% receive fewer than their enrollment capacity, 11% receive an approximately equal amount, and 56% receive more applications than their capacity.

### **HOURS, MAXIMUM ENROLLMENT, COUNTY OF RESIDENCE**

Both types of centers were asked about their hours of operation, maximum enrollment, and county of residence. For CCPP centers, maximum enrollment ranged from just 10 students to 420 with a median maximum enrollment of 69 students. Non-CCPP centers had maximum enrollments from 25 children to 110 with a median of 105 students.

The earliest opening of a CCPP center was 6:00 am and the latest closing was 11:30 pm. The majority of CCPP centers opened between 6:30 and 8:00 am and closed between 5:00 and 6:00 pm. As with CCPP centers, the earliest opening of a non-CCPP center was 6:00am and the

latest closing was 11:30 pm. However, the majority of non-CCPP centers opened between 6:00 and 7:00 am and closed between 6:00 and 7:00pm.

Fifty CCPP respondents were located in Hinds County, 5 were in Lamar County, 2 were in Panola County, 2 in Union County, 2 were in Lafayette County, 2 were in Tate County, 1 was in in Tippah County, 1 was in Rankin County and 1 was in Quitman County. A total of 9 counties were represented in the CCPP accepting data. All 5 non-CCPP respondents were located in Hinds County.

## **CROSS TABULATIONS**

Below are some important cross tabs that examine how providers that share certain characteristics responded to survey questions.

Figure 4.6 below compares survey data from CCPP providers about students who would be unable to attend their facility without vouchers against what percentage of students pay partially or fully with vouchers. For example, of the 19% of providers who responded that fewer than 25% of their students pay with vouchers, 63.2% say that some of their students would be unable to attend without vouchers. In facilities with 75% or more students receiving vouchers, 69% of providers said the majority of their students would be unable to attend.

**Figure 4.6**

CPP CENTERS		Q3: What percentage of your students would you estimate pay partially or fully with				
		Total	Less than 25%	Between 25-50%	Between 50-75%	More than 75%
			A	B	C	D
Q8: Are you aware of students who would be unable to attend your facility without the usage of vouchers?	Total Count (Answering)	61.0	19.0	16.0	13.0	13.0
	Yes, the majority of my students would be unable to attend	37.7%	21.1%	18.8%	53.8%	69.2%
				B	A, B	
	Yes, some of my students would be unable to attend	47.5%	63.2%	68.8%	30.8%	15.4%
		D	C, D			
	No, I am unaware of any students that would be unable to attend	14.8%	15.8%	12.5%	15.4%	15.4%
	Total Count (All)	80.0	24.0	22.0	18.0	16.0
	Yes, the majority of my students would be unable to attend	28.8%	16.7%	13.6%	38.9%	56.3%
	Yes, some of my students would be unable to attend	36.3%	50.0%	50.0%	22.2%	12.5%
	No, I am unaware of any students that would be unable to attend	11.3%	12.5%	9.1%	11.1%	12.5%

One interesting data point is that centers where fewer students use vouchers are less likely to indicate wanting to pay for more certifications and training for their staff. Thirty-three percent of centers where less than 25% of children pay with vouchers answered that they would use additional funds for more training, while 65% of centers where between 50-75% of students use vouchers answered that they would. Further, approximately 29% of centers where less than 25% of students use vouchers said they would purchase new educational supplies, while approximately 50% of every respondent with a higher percentage of voucher-using students said they would do so. See Figure 4.7

**Figure 4.7**

		Q3: What percentage of your students would you estimate pay partially or fully with				
		Total	Less than 25%	Between 25-50%	Between 50-75%	More than 75%
Q9: Are there areas in which you think you could provide better childcare services if you had more money?	Total Count (Answering)	69.0	21.0	19.0	14.0	15.0
	I would hire additional staff	61.0	19.0	17.0	13.0	12.0
		88.4%	90.5%	89.5%	92.9%	80.0%
	I would pay for more certifications and trainings	35.0	7.0	11.0	9.0	8.0
		50.7%	33.3%	57.9%	64.3%	53.3%
	I would upgrade or change facilities	27.0	8.0	8.0	7.0	4.0
		39.1%	38.1%	42.1%	50.0%	26.7%
	I would increase enrollment capacity at my facility	38.0	7.0	11.0	10.0	10.0
		55.1%	33.3%	57.9%	71.4%	66.7%
	I would purchase more educational materials	29.0	6.0	9.0	7.0	7.0
		42.0%	28.6%	47.4%	50.0%	46.7%
	There are no areas that I feel I could provide better childcare services if I had	0.0	0.0	0.0	0.0	0.0
		0.0%	0.0%	0.0%	0.0%	0.0%
	Total Count (All)	80.0	24.0	22.0	18.0	16.0
	I would hire additional staff	61.0	19.0	17.0	13.0	12.0
		76.3%	79.2%	77.3%	72.2%	75.0%
	I would pay for more certifications and trainings	35.0	7.0	11.0	9.0	8.0
	43.8%	29.2%	50.0%	50.0%	50.0%	
I would upgrade or change facilities	27.0	8.0	8.0	7.0	4.0	
	33.8%	33.3%	36.4%	38.9%	25.0%	
I would increase enrollment capacity at my facility	38.0	7.0	11.0	10.0	10.0	
	47.5%	29.2%	50.0%	55.6%	62.5%	
I would purchase more educational materials	29.0	6.0	9.0	7.0	7.0	
	36.3%	25.0%	40.9%	38.9%	43.8%	
There are no areas that I feel I could provide better childcare services if I had	0.0	0.0	0.0	0.0	0.0	
	0.0%	0.0%	0.0%	0.0%	0.0%	

I am very pleased with the survey response rate and the data I was able to collect. I am very grateful to the child care providers who took the time to answer my questions thoughtfully and with insight. This data has provided me with a much better understanding of the day-to-day operations of child care centers in Mississippi, as well as the unique challenges and opportunities providers faced during the coronavirus pandemic and subsequent fluctuations in guidelines and criteria of the CCPP program. Even the more quantitative data, such as hours of operation, provide a more holistic characterization of the current state of demand for childcare and the services available to both voucher and non-voucher parents. In the next section, I will interpret this data and discuss what these responses tell researchers about child care in Mississippi.

## CHAPTER V

### DISCUSSION

The data I collected from survey responses is interesting and at points contradictory, but raises some intriguing questions and possible answers as to how child care providers are impacted by Mississippi's child care payment program. I have organized my response into four broad categories: technical details including maximum enrollment, hours of operation, and county of residence; funding and revenue; the impacts of vouchers broadly; and the impact of vouchers specifically during the COVID-19 pandemic. In this section I will contextualize the data I collected with knowledge from my Background and Literature Review chapters to assess the Child Care Payment Program.

#### **HOURS OF OPERATION, ATTENDANCE, AVAILABILITY, LOCATION**

The survey revealed that respondents who accept CCPP vouchers represented more diverse geographic areas than those who did not. A total of nine counties were represented in the CCPP-accepting survey. All centers that do not accept vouchers were located within Hinds County. This means that all of the data collected from non-CCPP centers only reflects the experiences of a largely urban area. This is important because Mississippi does not have a large amount of metropolitan areas, so the responses from Hinds County can not be assumed for people in more rural areas of the state. For example, while the population of Hinds County is 222,679 according to the 2021 census, Quitman County is home to just 5, 935 residents. Clearly, the child care landscape and all factors that shape it differs between these two counties. I will keep this context in mind while analyzing the rest of the data sets.

When a child care center is open or closed is important to the day to day lives of providers and parents. The survey revealed that CCPP and non-CCPP centers had a similar range

of hours of operation; the earliest opening for both kinds of centers was 6:00 am and the latest closing was 11:30 pm. However, some differences emerged when looking at the average hours of operation. Centers that do *not* accept vouchers opened approximately an hour earlier and closed an hour later than CCPP centers, on average. Most non-CCPP centers opened between 6:00 and 7:00 AM and closed between 6:00 and 7:00 PM, while CCPP-centers opened between 6:30 and 8:00 AM and closed between 5:00 and 6:00 PM. While an hour or so difference may not seem significant at first glance, it can determine whether a parent is able to enroll their child at a center. Parents need time to drop their child off and get to work on time or risk work place consequences, and they can be fined for not picking up their child from daycare on time. This is an especially pertinent issue for parents who may not work “typical” 9:00-5:00 hours. A 2021 report from the Center for American Progress has stated that single mothers are more likely to work in low paying, hourly wage jobs than their married counterparts. These jobs may open early and close late, as well as not provide schedules to workers far enough in advance for parents to make other childcare arrangements. CCPP centers opening later and closing earlier than centers that do not accept vouchers limits the hours that voucher recipients can receive child care. This is especially important when considering that the parents who utilize vouchers are necessarily low income or facing other difficulties such as living with a disability or being a single parent, by virtue of the eligibility guidelines. The data suggests that non-CCPP centers may have more convenient hours for these parents, but they are unable to pay with vouchers and are therefore unlikely to enroll their child.

Furthermore, even without the context of CCPP versus non-CCPP hours of operation, these responses provide valuable insight into the state of Mississippi’s child care industry. The fact that there are centers who are open until 11:30pm demonstrates that there is demand for



nearly 24/7 care. Some Mississippi parents may have to utilize multiple sources of care if a CCPP-accepting center closes at 6:00pm but they do not get off work until midnight. The responses from providers indicate that operating a child care center is anything but a typical 9:00-5:00 job. The hours and demand for child care at all hours of the day surely put additional stress on providers, regardless of whether they accept vouchers. It is important for policymakers to recognize that increasing access to affordable childcare does not solely mean ensuring care is available from 8:00am-6:00pm.

The capacity, or number of children a center is able to serve, at a facility also plays an important role in a child's ability to enroll. Voucher-accepting centers range from a maximum capacity of 10 students to over 400. This data exemplifies how drastically the childcare experience for students, parents, and providers can vary from center to center. Non-CCPP centers have a more narrow, yet still significant range of a maximum of 25 students to 110. The difference between the range of CCPP and non-CCPP centers indicates that voucher parents may have a broader range of facility sizes to choose from when selecting a childcare provider. However, the median maximum enrollment at voucher centers is 69 students while their non-CCPP counterparts report a median of 105 students. This means that non-CCPP centers typically have higher capacities than their CCPP-accepting counterparts. This is intriguing because, as discussed below, 56% of non-voucher accepting facilities report receiving more applications than children they are able to serve. Although non-CCPP vouchers have a significantly higher median enrollment than CCPP centers, they are more likely to report not having a significant capacity to meet demand.

The fact that median enrollment for both types of facilities is so high is striking. This data suggests that the majority of Mississippi children enrolled in childcare attend large facilities

rather than receiving more personalized care. It is not within the scope of my research to determine whether smaller or larger class sizes at childcare facilities are preferable, but this is an interesting finding nonetheless.

The final survey point about enrollment asked providers how many applications they typically receive per enrollment period. CCPP centers answered that 57% receive fewer applications than their enrollment capacity, 10% received approximately equal amounts, and 33% received more applications than capacity. Non-voucher accepting centers reported that 33% receive less than their licensed capacity, 11% receive approximately equal, and 56% more than the seats they have available. I was surprised that non-CCPP centers were nearly 25% more likely to report receiving an excess of applications than CCPP centers. The Background and Literature Review chapter revealed that waiting lists for CCPP accepting centers are a major barrier preventing voucher-using parents from accessing childcare. However, there are several possible explanations for this incongruity.

It is important to remember that non-CCPP centers in my survey were exclusively located in Hinds County, an area with a much higher population than the other counties surveyed. In contrast, there were nine counties of varying geographic and population sizes represented in the CCPP responses. For this reason, it is possible that more non-CCPP centers are located in areas with an increased demand for childcare, because there are more children in that area. It is also possible that parents who earn “too much” to qualify for vouchers do not want to send their children to a facility that accepts vouchers. Perhaps non-voucher centers are seen as higher quality and therefore a higher number of non-voucher receiving parents apply to enroll their children.

A possible explanation for why 57% of CCPP centers report receiving fewer applications than licensed capacity is the unpredictability of voucher eligibility for parents. My Literature Review highlighted that parents are frequently kicked out of the program during “redetermination periods” for a variety of reasons including changing addresses, employment status, or a loss of records and documentation by the Mississippi Department of Human Services. It is possible that parents who can not afford child care without vouchers do not apply for childcare during periods they are deemed ineligible to receive vouchers. Therefore, a lack of applications does not necessarily mean there is a lack of demand. Furthermore, nearly 1/3rd of CCPP centers do report receiving more applicants than they can accommodate.

Another piece of information that stands out is that although 56% of non-CCPP centers report receiving more applications than available seats, only 11% of these providers indicated a desire to increase their enrollment capacity. However, voucher centers were nearly twice as likely to say they would increase their capacity if they had enough funding. Combined with other data collected in this survey, it seems that a significant portion of CCPP centers indicate availability or even an excess of available seats, as well as a desire to increase capacity. Yet, my Literature Review revealed that 83% of eligible Mississippi children go unserved by subsidized child care programs (Fletcher, 2018). The contradiction between the waiting lists parents experience at CCPP centers and the existence of available seats suggest that parents do not have enough information about where seats are available, or that some areas are underserved.

## **FUNDING AND REVENUE**

One question asked respondents if there were areas in which they could provide better services if they had increased funding; respondents were able to select multiple answers. Thirty two percent of CCPP providers answered that they would hire additional staff, 20% would increase their

enrollment capacity, 18% would pay for more training and certifications for their staff, 15% would purchase more educational supplies, and 14% would upgrade their facility. No CCPP centers responded that they did not need increased funding. Thirty percent of non-CCPP providers would hire additional staff, 11% would increase their enrollment capacity, 18% would pay for more training, 20% would purchase more educational supplies, 13% would upgrade their facility, and 7% said they did not need additional funding. Clearly, the dominant answer for both groups is the desire to hire additional staff. This raises the issue of staff to child ratios and how these could be improved with additional funding. This response indicates that both types of providers are probably overwhelmed and providing care to a large number of children per teacher. Additional staff can not only provide more personalized learning opportunities for children, but increase health and safety oversight as well as reducing the burden on current childcare workers. Clearly, a lack of staffing caused by the inability to pay more workers is impacting Mississippi's childcare landscape.

When comparing the answers of both CCPP and non-CCPP centers, many data points are largely equivalent. Similar percentages of both types of providers answered that they would hire more staff, pay for more training, purchase new educational supplies, and upgrade their facility. However, as stated above, increasing enrollment capacity was nearly twice as popular for CCPP centers than non-voucher accepting centers. This is important because expanding CCPP centers could increase the number of seats available for children using vouchers statewide. Furthermore, while increasing enrollment capacity was the second highest priority of CCPP centers, it ranked last for non-CCPP providers (excluding providers who answered that they did not need additional funds.) This suggests that non-CCPP centers are more likely to be satisfied with their enrollment capacity, while CCPP centers are more likely to wish to expand. Again, the literature

review revealed that a significant barrier to the voucher program is waiting lists at voucher-accepting facilities. If this is the case, it is important that CCPP centers who wish to increase their enrollment capacity be able to do so. My final observation from this set of data is that only non-voucher accepting centers answered that they do not feel they need more funding. Every single CCPP provider answered that they were lacking funds in at least one area.

The next funding and revenue question was, “From where do you receive most of your revenue as a facility?” CCPP providers answered that 47% receive a majority of their revenue in the form of vouchers, 42% from tuition paid without the use of vouchers, 4% selected tax exemptions, grants, or other types of public funding, and 5% selected “other”. Seventy one percent of non-CCPP providers said the majority of their revenue comes from tuition, 10% answered exemptions or other public funding, and 10% selected “other”. It’s interesting that non-CCPP accepting centers are more likely to receive other streams of public funding such as tax exemptions or grants. It is possible that non-CCPP centers do not generate sufficient revenue from private tuition alone and thus turn to the state for additional funding. Perhaps CCPP centers actually generate more revenue because of vouchers and therefore don’t need additional exemptions. This suggests that the market rate of vouchers is sufficient for many providers and can actually help CCPP centers be less dependent on other forms of public funding.

## **IMPACT OF CCPP VOUCHERS**

A central goal of my research was to discern how important vouchers are to the centers that accept them. The first question asked providers approximately what percentage of their students paid partially or fully using vouchers. Of the 81 respondents, 30% said that fewer than 25% of children pay partially or fully with vouchers, approximately 27% say that between 25-50% do, approximately 22% say 50-75% of children do, and 20% say more than 75% use vouchers. It is

interesting that the most common answer was that fewer than 25% of children pay with vouchers. This suggests that not all students who pay with vouchers are attending the same few facilities and have a wide range of choices for care. Certainly, not all facilities are either 100% CCPP or 100% non-CCPP children. This might result in a broader mix of income backgrounds of students, which previous research has suggested is beneficial to academic and social growth.

However, many providers still indicated that a large percentage of their clientele pay with vouchers. Forty two percent of providers answered that half or more of their students use CCPP vouchers. Centers with such a significant population of CCPP voucher-users are especially vulnerable to changes in the system, such as redetermination. If thousands of students are deemed ineligible after determination, as happened after the removal of Mississippi's coronavirus guidelines, these providers have the potential to be immensely impacted. This is another possible explanation for CCPP centers answering that they have more seats than applications. The volatility of the system might make it difficult for providers to determine how many children will be returning on a month to month basis. Importantly, fully one fifth of providers answered that 75% or more of their students pay with vouchers. All of the previously discussed impacts of the instability of the CCPP program are especially pronounced for these providers.

A follow up question asked providers if they were aware of any students who would be unable to attend without using vouchers. Forty eight percent said that at least some of their students would be unable to attend, and 38% said the majority would be unable to attend. The vast majority of providers – 86% – know of at least some students who would be unable to attend without vouchers. This statistic underscores the importance of the voucher program; it is the difference between receiving childcare or not for many parents. For these students, the reason

they are in child care is because of the availability of vouchers and it is reasonable to suggest that many would have very limited alternatives if their eligibility status were revoked.

Researchers need to look no further than the story I cited in my Literature Review of the woman who was removed from the voucher program and subsequently had to quit her job. Furthermore, 38% of providers answered that the *majority* of their students who use vouchers would be unable to attend without the program. This suggests that the CCPP program has a significant impact on the ability of Mississippians to both receive and provide childcare. Clearly, many parents need vouchers to be able to afford care. But providers are also dependent on the program, with many providers answering that a significant portion of their students use vouchers, and of those students, many would be unable to attend without them. Furthermore, other data from this survey revealed that 47% of providers receive the majority of their revenue from tuition paid by vouchers. This data leads me to confidently assert that the Mississippi Child Care Payment Program is an integral piece of the state's child care landscape.

I also asked non-voucher accepting providers why they chose not to participate in the program. Approximately 25% of providers selected "administrative burden," another 12% selected "cost," and the remaining 65% answered "Other" and chose to type a response. The first statistic that stands out is that a quarter of providers answered that 'administrative burden' discouraged them from accepting vouchers. The Background and Literature Review chapters explained that these providers are likely justified in this response; it does appear to be a time intensive and unpredictable process. Therefore, is it possible that there could be many more seats available to students who use vouchers if the bureaucracy was more efficient and transparent? This seems to be one of the more feasibly improvable areas of child care in Mississippi, and thus an important finding of this survey.

Further, 12% answered that “cost” is prohibiting them from participating in the program. This is interesting because no other data suggests that vouchers are below the market rate of childcare or cause providers to “lose” funds. One possible answer is that in certain areas where demand for childcare is particularly high, parents are more willing to pay increased tuition and thus it is more economical for centers not to accept vouchers. Further, parents are responsible for paying the designated copay; if providers have trouble receiving payments from CCPP parents, this could discourage participation in the program. As identified in the results section, some of the self typed answers to this question suggest that some providers incorrectly selected that they did not accept vouchers when they appear to. However, two providers answered “our church chose not to do,” and “we are an independent school,” clearly suggesting at least some providers see the voucher program as disadvantageous.

### **CCPP AND THE PANDEMIC**

As noted throughout this thesis, the coronavirus pandemic and ensuing policy changes greatly impacted the childcare industry. From the lifting of employment requirements to the closure or reduction of services at many facilities, the experience impacted all providers and parents in at least some way. When asked whether their facilities were open from April 2020 to April 2021, nearly 87% of CCPP providers responded that their facility was open during this entire period, while for non-CCPP accepting centers, 85% were open. Clearly, closure rates between CCPP and non-CCPP centers were largely equal during the pandemic. It is important to note that an approximately 14% closure rate for both types of facilities is significant. For many families, these closures forced them to seek childcare elsewhere or perhaps not receive it at all. For providers, this hindered their ability to generate revenue and earn an income for an entire



calendar year. The impact of closure on Mississippi families and providers should not be understated.

I further questioned those providers who remained open during this time period about their capacity. Approximately 70% of CCPP centers surveyed operated at decreased attendance capacity, 28% at normal capacity, and 2% at expanded capacity. Of the non-CCPP centers, 47% at decreased capacity, another 47% operated at normal capacity, and 5% at increased capacity. A striking observation from this data is that non-CCPP centers surveyed were much more likely to operate at normal or increased capacity during the pandemic. While 52% of non-CCPP centers operated at or above their pre-pandemic capacity, only 30% of voucher accepting centers did so. This means that CCPP centers were able to care for fewer children. Parents using vouchers likely were at higher risk of facing a reduction in their childcare hours or a loss of it altogether. This data suggests that the child care crisis recognized broadly during the pandemic did not have proportionate impacts. Parents using vouchers likely felt the reduction in facility capacity more poignantly than other groups.

Further, when childcare centers had to reduce their capacity, they likely experienced a decrease in revenue. Having fewer students paying tuition means that center owners have less money for payroll, facility maintenance, and all other overhead costs. It is also possible that providers were forced to increase tuition rates for the students who were still attending to make up for the decrease in enrollment, although I did not ask about tuition rates in my survey. Again, centers that accepted vouchers were more likely to face the consequences of a decreased capacity.

Another question asked about a fluctuation in enrollment. I inquired about this in addition to operative capacity because an increase in capacity does not necessarily mean an increase in

seats filled or filled consistently. Twenty eight percent of CCPP accepting providers surveyed experienced a major decrease in enrollment, 45% a slight decrease, 12% a slight increase, 5% a major increase, and 10% experienced no change. No non-CCPP providers selected that they experienced a major decrease in enrollment or a major increase in enrollment. 28% of non-CCPP providers experienced a slight decrease in enrollment, while approximately 39% selected “no change.” A possible impact of a decrease in enrollment at CCPP centers might be the inability to make payroll, and thus having to downsize their staff. This leads to an even more decreased licensed capacity at CCPP centers.

When I started my research, I hypothesized that CCPP centers would see a major increase in enrollment due to the less stringent eligibility requirements. However, CCPP centers surveyed actually experienced a decrease in enrollment on average, with 75% of providers experiencing reduction to varying degrees. This suggests that although the 25 hour work week lifted one barrier to child care access, it did not have a significant impact. The fundamental reordering of society that occurred during the early days and height of the pandemic likely explains this. Parents, regardless of voucher status, likely pulled their children out of child care facilities over health concerns, causing a decrease in enrollment. Further, parents who lost their jobs or shifted to remote working might have chosen to keep their children at home. So, while thousands of parents were removed from the CCPP program when the work requirement was reinstated in April 2021, it does not appear to have caused a major increase in voucher usage during the pandemic.

This contrasts with the experience of non-CCPP accepting providers, who experienced only a slight decrease in enrollment or no change at all. In fact, the most common answer among these providers was that their enrollment remained unchanged. This means they were largely

able to avoid the consequences discussed above of decreased enrollment during the pandemic. Furthermore, children attending these facilities were probably more likely to be in daycare during the pandemic, according to this data. A closer look also reveals that CCPP centers surveyed were more likely to experience large changes in enrollment. While no non-CCPP centers experienced either a major increase or decrease in enrollment, 28% of CCPP providers indicated a major decrease and 5% saw a major increase. This suggests that CCPP centers surveyed experienced a greater fluctuation during the pandemic, and therefore more uncertainty.

For researchers, this data raises important questions. Were providers who accepted CCPP more worried about the virus and therefore more willing to adhere to public health guidelines such as contact reduction and social distancing? Unfortunately, this data does not provide answer to these questions, but they are important to consider in the case of another unforeseen global health crisis. One plausible explanation, though, is the fact that CCPP centers surveyed were more likely to decrease their capacity due to staffing shortages or otherwise which caused a decrease in enrollment. Some CCPP providers likely had to remove some children from their rolls or not fill vacancies in order to decrease class sizes. As such, there were significantly fewer seats available for voucher students during the pandemic compared to prior years, while this was not necessarily the case at non-CCPP centers.

Lastly, I asked CCPP accepting providers how the voucher program impacted their facility during the pandemic. Sixty percent responded that it allowed them to maintain previous levels of operation, 3% said they were able to hire additional staff, 5% increased pay for their staff, 2% purchased more educational supplies, and 23% said it had no impact. Obviously, it is extremely important that many providers surveyed indicated that vouchers allowed them to maintain their previous levels of operation. Presumably, some of these providers would have

been unable to remain open without the use of vouchers. This statistic further drives home the fundamental role of vouchers in Mississippi's child care ecosystem. However, this also indicates that major fluctuations or changes to the voucher program have the potential to destabilize the state's child care. If vouchers theoretically keep over half of the centers who accept them open, it is essential that these vouchers are received in a timely and predictable manner.

Although only 5% of providers surveyed answered that CCPP funds allowed them to increase wages for their staff; this statistic stands out. During a time of widespread unemployment, a pay raise represents a significant deviation from what a vast number of workers across industries experienced during this period. Further, 3% answered that they were able to hire more staff; again, a stark contrast to the mass layoffs occurring throughout the country at the time.

One of the alternative, typed responses said that vouchers "supported essential workers in paying a portion of their child care." This answer expressed that providers value their unique role in supporting their community members. At least one provider, and presumably many more, valued their ability to help working families during a difficult time.

## **LIMITATIONS AND CONCLUSION**

As previously mentioned, some survey responses indicate that questions were misinterpreted by respondents. As the survey author, I take full responsibility for any lack of clarity and resulting complications. This is most evident in the question "Why does your facility not accept CCPP vouchers?", where one respondent answered "we do accept certificates." This indicates that some of the data collected on non-CCPP vouchers may be skewed because of the inclusion of this provider. However, I believe this does not significantly impact the credibility of my findings, because the rest of the non-CCPP providers indicated that they were in the correct category.

Another limitation is that the data collected is solely from the provider perspective. Therefore, any assumptions made about how the CCPP program can be improved for parents must be sourced from provider input, previous research, and good faith inferences. I decided to interview providers instead of parents because it was much easier to create a sample population, since provider contact information is available online.

A piece of information that is seemingly contradictory is that many CCPP providers indicated that they had to decrease enrollment capacity during the pandemic, but then 60% responded that vouchers allowed them to maintain their previous levels of operation. One possible explanation of this is that respondents are referencing different points during the pandemic. For instance, they may have decreased enrollment capacity in April 2021, but then returned to normal levels with the help of CCPP funding in December 2021.

The survey data I collected has pressed me to think critically and in more nuanced ways about the Mississippi Child Care Payment Program. A key finding about child care providers' surveyed was their availability. Many CCPP accepting facilities indicated a desire and ability to accept more children. A significant portion of these providers indicated that their rolls were not necessarily constantly filled. This point was underscored when looking at how surveyed providers responded to questions about funding, with nearly double the number of CCPP providers indicating a desire to increase their enrollment capacity as non-CCPP providers. Of course, this question also revealed that both kinds of providers overwhelmingly report wanting to hire additional staff. When analyzing data on the importance of the CCPP program, several data points indicate that many child care providers rely on vouchers to serve upwards of 50% of children. This information underscores the importance of reliable and consistent distribution of vouchers. When assessing how vouchers impacted providers during the pandemic, it was

interesting to learn that providers who accept CCPP report greater fluctuation in enrollment and attendance than their non-CCPP counterparts. Further, CCPP centers were more likely to limit their enrollment during the pandemic. All of these data points and more provide researchers with the opportunity to propose policies that will empower and uplift Mississippi's childcare providers.

## CHAPTER VI

### **POLICY RECOMMENDATIONS**

It was my goal throughout the formulation of this thesis to assess whether the Child Care Payment Program could be improved if necessary. Ultimately, I identified four policy areas which could be altered to improve the program across several metrics. During the creation of these recommendations I considered all relevant stakeholders: children, families, and providers.

#### **RECOMMENDATION I**

It was encouraging to see that the CCPP is so helpful and important to so many providers. This is truly an example of a federal and state partnership that at least aims to meet the needs of its citizens. As stated throughout this thesis, child care is an immensely consequential and personal issue to families in Mississippi and around the world. For this reason, I have used data and analysis from my research to propose several policy solutions that could help the Child Care Payment Program extend and deepen its benefits to children, families, and providers.

First, policymakers or program administrators should create a tool to increase transparency regarding the availability of CCPP seats. As noted in the Discussion chapter, while prior research found long waitlists at CCPP facilities (Mississippi Low Income Child Care Initiative, 2017), my research indicates that CCPP centers surveyed on the whole do have the capacity to accept and care for more children. In fact, 57% of CCPP providers surveyed receive fewer applications than they are able to accommodate. Why then, are parents struggling to find centers that accept CCPP vouchers? One possible answer is that parents are unaware that other CCPP centers have availability and are only applying to centers they know of. Further, in rural areas, only one center may be available. The Mississippi Department of Human Services does have a database that allows you to search for CCPP accepting centers but it does not tell parents

how many seats are available at a given center. CCPP centers have to submit information to the MDHS regularly; the department should display this data on its website. In the child care provider database, the MDHS could list the most recent enrollment and availability data provided by centers, categorized by age. This way, parents could see where their child is most likely to be accepted and could possibly avoid applying to overcrowded centers. Since the MDHS already maintains this website, it would likely cost little to include this information in the database; though MDHS may not necessarily have the staff capacity to do so. This policy may boost revenues at centers that do not receive enough applications, decrease wait-times for parents to receive child care, and overall introduce more transparency to the CCPP program.

## **RECOMMENDATION II**

The state of Mississippi should reform CCPP guidelines to allow parents to choose a child care facility *after* they are approved for vouchers to improve the stability of facility headcounts. Parents are currently required to select a child care center during the eligibility determination process, before they know whether they will be deemed eligible to receive vouchers. This means that while CCPP centers may have a “waitlist” of parents attempting to enroll their child, many of these families have not yet been approved for vouchers. This has numerous negative consequences. First, parents have to choose a facility quickly and based on limited information. Second, even after children are admitted to a center, families may still have to wait to receive care until their voucher status is confirmed. This leads to further obscurity of how many seats are actually available, which harms both families and providers.

## **RECOMMENDATION III**

As supported by prior research as well as this thesis, redetermination is a central contributing factor to the instability of the CCPP program. Guidance within the Child Care



Development Block Grant, the funding source for MSCCPP, requires an eligibility period of at least 12 months. Further, MDHS's policy is that parents are notified that they are up for redetermination 60 days before they would receive their last voucher. Providers are notified 30 days prior. This policy does not give childcare centers an adequate timeline in order to help parents remain eligible. My research revealed that 42% of providers surveyed serve a clientele that is 50% or more voucher-using and that 86% of CCPP providers are aware that at least some children would not be able to attend without vouchers. A feasible policy that could improve this issue is to require MSDHS to extend the notification deadline to providers to 60 days. Child care providers are a crucial tool to help parents remain eligible because of their familiarity with the Child Care Payment Program. Furthermore, it allows them more insight into how their enrollment rates may fluctuate in coming months.

It is inefficient that providers should be unaware of the eligibility statuses of their students due to MDHS policy. While a more predictable redetermination process would help stabilize provider revenue and headcounts, it would also benefit children. Receiving care from the same providers allows families to create bonds with child care workers as well as fostering healthy social development for children.

#### **RECOMMENDATION IV**

Finally, the Mississippi Child Care Payment Program and the Department of Human Services, like many programs funded by the state and federal government, CCPP suffers from a lack of funding. The CCPP program should be funded by the state of Mississippi at a greater level to reach more children, rather than being extremely stringent. Every single CCPP-accepting provider indicated that they were lacking funds to improve service in at least one area. Greater availability of vouchers and eligibility stability would boost provider revenues and allow them to

expand their capacities, improve their facilities, hire more staff and improve working conditions, or anything else they believe would allow them to increase the quality of care they provide.

Increased funding from the state to the MDHS could allow them to hire more staff that could address processing backlogs, communicate more directly with applicants, and foster an inviting application process rather than one that is seemingly designed to drive people away.

A primary finding in my research is that a lack of efficiency and communication among child care stakeholders is hurting the ability of vouchers to expand access to affordable child care. This has created an unstable and unpredictable voucher system. One ostensibly simple solution is to provide parents with information about how many seats are available at a given facility through MDHS child care provider database. Repealing the guidelines that require parents to choose a provider before they are informed of their eligibility status would heighten this impact. The MDHS must further reform its guidelines to require redetermination notifications be sent to providers 60 days in advance. Finally, when the process functions well, vouchers are a vitally important workforce support program. They should be expanded through increased funding to the CCPP and to the Mississippi Department of Human Services.

## CONCLUSION

Throughout my research I have been impressed and humbled by the difficult and essential work Mississippi's childcare providers do every day. Moreover, so many providers surveyed indicated their willingness to serve more children and families in my survey. During the pandemic, child care centers accepted vouchers to "support essential workers in paying a portion of their child care," to quote one survey response. I would like to again thank the providers who took time out of their days to contribute to my research.

While conducting my background research, I learned just how significant a cost child care is to American families. Furthermore, I learned how this cost burden disproportionately affects some groups, especially women of color. I contextualized all of this information through the lens of the Mississippi child care landscape: a state that uniquely suffers from systemic inequalities and lack of adequate social infrastructure. I also deepened my understanding of the function of child care vouchers; how they are administered, applied for, distributed, and often revoked. I centered much of my initial research on changes to the voucher program prompted by the COVID-19 pandemic, including the temporary suspension of the 25 hour work week. In the Literature Review chapter, I surveyed existing research on public child care programs and assessed what gaps existed in this academic field. I am grateful to have had the opportunity to focus my research on Mississippi, given the lack of scholarly attention given to the state, and rural areas more broadly.

The results of my survey were fascinating to analyze. A primary takeaway from this data is how integral vouchers are to Mississippi's child care landscape. Many CCPP-accepting centers serve a clientele of almost entirely voucher recipients. It was also important to highlight the material needs of both types of providers; primarily that a large majority of providers indicated a

desire to hire additional staff. It was essential to learn that non-CCPP accepting centers indicate higher capacities as well as broader hours of operation on average. Finally, there was ultimately an inconclusive answer on how the 25-hour work week guidelines impacted attendance at CCPP facilities. Fluctuating enrollment due to the nature of the COVID-19 pandemic and the ensuing public safety measures made it impossible to assess if the work requirements had any effect on children enrolled in the voucher program. Nonetheless, I still believe my research revealed important results, particularly pertaining to the confusion surrounding the availability of childcare slots for voucher children.

This thesis highlights the need for future research and assessment of the Mississippi Child Care Payment Program and other similar endeavors. It would be helpful for research to compare how different states distribute vouchers and ascertain if more efficient guidelines could be put in place at MDHS to improve the application process. It would also be interesting to conduct a cost-benefit analysis to determine whether it would be “worth it” for the state of Mississippi to permanently drop the 25-hour work week requirement. It may be too soon at the time of this writing, but a wholesale assessment of how the US childcare industry has been permanently impacted by the COVID-19 pandemic would be immensely beneficial to this academic field.

My hope is that this thesis can be used to inform relevant policymakers of the current state of the Mississippi child care industry. I plan to turn the key data points from this research into an easily readable memo that can be mailed to Mississippi state legislators. Ideally, legislators and policymakers would be convinced of the importance of this program and increase funding to childcare efforts. I also plan to provide this research to the Mississippi Department of

Human Services in the hopes of persuading them to include more information on their provider database.

Childcare is central not only to the lives of children, families, and providers, but also to the broader American economy. Many families find themselves dedicating 10% of their income to childcare services, while single parents spend an average of 34% of their wages on childcare (Leonhardt, 2021). Public assistance programs like the Mississippi Child Care Payment Program can help lighten the burden on working families. This is especially important to women, who are more likely to be working in low-wage, hourly pay jobs that may not operate on a traditional 9:00-5:00 schedule (Center for American Progress, 2021). Like the multitude of stories discussed throughout this thesis, loss of access to affordable child care can cost women their jobs and providers their financial stability. The CCPP sets out to do a good thing, and in many cases, is a lifeline for Mississippi families. However, it can do better. It must do better. The system needs to be reformed so that parents and providers know exactly when and if their next voucher will arrive. Providers need a transparent system in order to function at their desired capacity and be able to extend these services to families. The fact that vouchers are so effective in allowing parents to access childcare when the process works is a justification for expanding and improving this program. We must listen to and empower child care providers so that they are best able to raise the next generation of Mississippians.

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