

Leveling the Playing Field: Improve Child Absence Policy to Strengthen Monroe County's Child Care Assistance Program

Summary

Over the past year, Monroe County has implemented a number of positive reforms to the county's income-eligible child care assistance program. Parent co-pays have been reduced considerably, eligibility for child care assistance has been extended to individuals pursuing a bachelor's degree, and the county has developed a number of new approaches to improve the way a family can access the subsidy system and identify a child care setting.

These are important steps toward an improved child care assistance in Monroe County. One additional step county leaders can take to strengthen the child care system is improving the county's absence reimbursement policy. Currently, **Monroe County has one of the most restrictive absence reimbursement policies in New York State**, and this policy has negative consequences for children and families in this community.

Child care providers have to pay staff and cover fixed costs even when a child is absent from a program, and restrictive absence payment policies may therefore deter providers from accepting subsidized children. By contrast, paying for absences encourages more providers to accept subsidized children, stabilizes the finances of child care providers, supports public health efforts, and ensures children have stable care arrangements.

The Children's Agenda recommends that the County develop a new policy to level the playing field between private-pay and subsidized families' access to child care by changing its absence policy, while also establishing certain safeguards to ensure public funds are being spent wisely. We recommend that the County establish a new absence reimbursement policy that includes the following components:

- Reimburse providers for up to 15 absences per child per month (12 routine, 3 extenuating), and up to 20 in a three month period (12 routine, 8 extenuating)
- Make all types of routine absences (illness, vacation, etc.) reimbursable
- Establish provider documentation requirements to track absences

The Children's Agenda also recognizes that county officials are hesitant to implement a more robust absence payment policy without any sense of the cost of that action, and that New York's limited data systems prevent the county from developing a concrete cost estimate.

We therefore recommend that Monroe County take advantage of a policy option that allows the county to initially limit the absence reimbursement policy to contracted providers. Monroe County should pilot this effort with a small number of child care providers and closely monitor the costs associated with reimbursing for absences over the next six months. The county will then have a much better sense of the fiscal impact of implementing a strengthened absence reimbursement policy countywide and can plan appropriately in the 2021 county budget.

Background

On February 13th, 2020 County Executive Adam Bello announced three significant improvements to strengthen Monroe County's child care subsidy system for low-income working families.

- Lowering parent fees from 25% to 20% of income above the poverty threshold.
- Issuing certificates of employment to speed access to care
- Establishing a child care navigator service

The Children's Agenda applauds the county for taking these steps, and we believe that these reforms will increase the number of working families who benefit from this support in Monroe County. We urge the county's leaders to continue to identify ways to make child care more available and accessible to working families in Monroe County.

One such policy Monroe County should adopt is allowing the subsidy system to reimburse providers for a certain number of days when children are absent from care. **Monroe County has one of the most restrictive absence reimbursement policies in New York State**, and improving that policy should be a top children's policy for county leadership over the next year. Monroe County's current policy only allows for regulated providers to receive reimbursement for absences under an extremely limited set of circumstances related to child welfare system involvement. Young children are occasionally absent from child care due to things like illness, vacations, and other routine reasons. These normal occurrences should not be a barrier to low-income families finding child care, and child care programs that accept families receiving child care assistance should not be penalized for doing so.

Strengthening Monroe County's absence policy will create a more level playing field for children and families who receive child care assistance compared to private-pay families. Reimbursing for absent days mirrors the experience of private-pay parents, who are typically charged even when their children do not attend child care.

Child care providers have to pay staff and cover fixed costs even when a child is absent from a program, and restrictive absence payment policies may therefore deter providers from accepting subsidized children. By contrast, paying for absences encourages more providers to accept subsidized children, stabilizes the finances of child care providers, supports public health efforts, and ensures children have stable care arrangements while their parents work.

The Importance of Strengthening Monroe County's Absence Policy

Over the past year, Monroe County has implemented a number of positive reforms to the county's income-eligible child care assistance program. Parent co-pays have been reduced considerably, eligibility for child care assistance has been extended to individuals pursuing a bachelor's degree, and the county has developed a number of new approaches to improve the way a family can access the subsidy system and identify a child care setting.

These are important steps toward an improved child care assistance in Monroe County. . As we noted in our January, 2020 report “Declining Child Care Options for Young Children¹,” there is a growing lack of child care capacity in Monroe County, and particularly within the City of Rochester:

- There are approximately 9,000 children under age 3 in Rochester at any given time, but there are only 959 child care center slots for children 6 weeks to 3 years within city limits.
- Home-based child care capacity in Rochester fell by 27% from 2014 to 2019.
- There is only one regulated child care slot in Monroe County for every three children under six years old.

The Rochester City School District’s recent decision to shift \$4.5 million in Pre-K funding from community-based organizations to district-operated schools threatens to further destabilize the child care system. Pre-K funding helps sustain a number of child care providers (approximately two-thirds of all child care centers in Rochester received Pre-K funding before this announcement), and the loss of this revenue stream may prompt some child care programs in Rochester to close. Improving the county’s subsidy policies by creating more revenue certainty for providers could mitigate some of the harm of these cuts to overall system capacity.

Strengthening Monroe County’s absence policy would also create a more level playing field for children and families who receive child care assistance compared to private-pay families. As noted above, private-pay families are charged even for those days that their children are absent. Providers who currently serve more families receiving child care assistance are therefore forced to deal with lower and less predictable revenue, and have fewer resources to invest in staff salaries, professional development, and program upkeep. The current absence policy also may create barriers to access for low-income families. Providers are not required to accept subsidized children, and according to a 2018 OCFS survey of child care providers², 16% of respondents reported that they do not accept any children receiving the subsidy. Anecdotally, we are aware that an additional percentage of providers limit the number of subsidized children they serve, largely due to concerns about reimbursement. Monroe County’s child care subsidy program should strive to eliminate inequitable access to care, and the existing absence policy appears to be a barrier facing families as they explore different care options.

Options for Monroe County

New York State grants counties a great deal of discretion in how they operate their income eligible child care assistance programs. Counties determine parent co-pays levels, income eligibility levels and other eligibility criteria, whether to operate wait lists when funds are

¹ The report is available on The Children’s Agenda’s website - <https://thechildrensagenda.org/publications/declining-child-care-options-for-young-children-full-report/>

² Obtained by The Children’s Agenda through a 2019 FOIL request to the New York State Office of Children and Family Services.

scarce, whether to reimburse for child absences, and many other policies. And even within the context of reimbursing for absences, counties are given many options of how to structure the program. Below is an outline of the policy options available to Monroe County:

Which provider types are eligible for payment

There are five categories of child care providers eligible to be reimbursed for absences in New York State. Counties are able to decide, which (if any), of these provider types can be reimbursed for absences:

- Child Care Centers
- Family Child Care
- Group Family Child Care
- Legally-exempt Group Care
- School-age Child Care

Limiting absences to contracted providers

Counties are provided the option of limiting reimbursement for absences to providers that are contracted by the county to provide child care services. Monroe County does not currently contract with any child care providers.

Allowable reasons for absences and limitations

Social service districts are given broad discretion to determine under which circumstances they will reimburse providers for absences. A few examples are below:

- **Albany County** will reimburse if the child or parent is ill, for a routine medical appointment of the child, and/or for a vacation of the child or parent (limited to five days in a six month period). To qualify, a program must be open, and the county must be notified of the absence.
- **Nassau County** will reimburse child care providers if the child or child's parent is ill, though it requires a doctor's note after an absence of five consecutive days. Providers are not eligible for payments for absences due to vacation.
- **Tompkins County** will reimburse for any absence so long as "the provider must be open and available and the child scheduled to attend."

Number and Type of Absences permitted

If a county chooses to pay for absences, it must determine a "base period" of either three or six months. This establishes the time frame for determining the maximum number of temporary absences. After deciding on a time frame, a county determines the number of days in a calendar month and the number of days in the base period it will permit provider reimbursement. The number of allowable absences fall into two categories:

- **Routine Absences** – As noted above, social service districts are given discretion to establish allowable reasons for reimbursable absences. New York State allows counties to pay providers for:
 - Up to 12 absences in a calendar month
 - A maximum of 12 absences in a three month base period

- A maximum of 24 absences in a six month base period
- **Extenuating Circumstances** – social service districts can choose to reimburse providers for an additional three absences beyond the maximum routine amounts if the district verifies that the absence meets the following criteria:
 - The child or child's caretaker needs to appear in court or keep other appointments related to child welfare system involvement
 - The child is ill or has a condition that requires medical treatment, or the child requires routine medical care
 - The child's family is experiencing homelessness, and that homelessness causes an absence from care
 - The child's caretaker is participating in an approved education or training program, and the absence coincides with a temporary suspension of the program

New York State Landscape

There are 58 social service districts in New York State representing the state's 62 counties. As noted above, state law gives counties wide latitude in how they operate their child care assistance programs.³

Of these 58 districts, 6 choose to not reimburse providers for absences under any circumstances.⁴ Of the remaining 52 districts, **Monroe County has among the most restrictive absences policy in the state.** Monroe County's current policy only allows for regulated providers to receive reimbursement for absences under an extremely limited set of circumstances related to child welfare system involvement. These qualify as extenuating circumstance absences. By contrast, 46 social service districts in New York allow for some number of routine absences, including a number of large counties in New York. A majority of counties allow for reimbursable absences in the case of illness, and many pay in the event of family vacations and various other normal reasons for children to miss child care.

- **Erie and Onondaga** counties, the two counties most similar to Monroe demographically, also have restrictive absence policies. Erie shares Monroe's policy to reimburse for child welfare system related absences, and also reimburses for illnesses that require medical care, and for families experiencing homelessness. Onondaga only pays for absences in their Early Head Start waiver programs. However, most other social service districts in New York State, including large downstate counties, have much more expansive absence reimbursement policies than Monroe.
- **Westchester County** allows for up to 12 routine absences per month, and allows child care centers, group family child care, and school-age child care programs to

³ County child care plans are available on the Office of Children and Family Services website - <https://ocfs.ny.gov/programs/childcare/plans/>

⁴ Those counties are Hamilton, Herkimer, Niagara, Saratoga, St. Lawrence, and Sullivan. For more information, see <https://empirejustice.org/wp-content/uploads/2018/01/still-mending-the-patchwork.pdf>

receive payment for absences. It does limit payments to contracted providers, and ensures that absences are temporary, as opposed to withdrawals from the program.

- As noted above, **Nassau County** will reimburse providers due to child or parent illness, and allows up to five routine and three extenuating absences per month. Like Westchester, it limits reimbursement to contracted providers.
- **New York City** has a complex set of policies related to absences, but allows most providers to receive reimbursement for twelve routine and three extenuating absences per month. Payment is provided for illness, family emergency, religious observance, medical care, extreme weather conditions, child welfare system involvement, and a few other circumstances. Unlike Nassau and Westchester, New York City does not limit reimbursement for absences to providers contracting with the social service district.

Recommendations to Improve Monroe County's Absence Policy

As noted above, New York State gives counties broad latitude in determining their absence reimbursement process. The Children's Agenda recommends that the county develop a new policy that closely mirrors the experience of private-pay families, while also establishing certain safeguards to ensure public funds are being spent wisely. We recommend that the county establish a new absence reimbursement policy with the following components:

- Reimburse providers for up to 15 absences per child per month (12 routine, 3 extenuating), and up to 20 in a three month period (12 routine, 8 extenuating)
- Make all types of routine absences (illness, vacation, etc.) reimbursable
- Establish provider documentation requirements, including: providers must submit documentation to the county, signed by the parent, indicating the reason for absences
- Require that a provider must be open and available and the child be scheduled to attend as a condition of payment
- Include Child Care Centers, Family Child Care, Group Family Child Care, and School-Age Child Care as eligible to receive absence reimbursement
- Disallow payment for absences to legally-exempt providers

Cost Concerns and Recommendations

New York State's child care data systems are quite limited, and it is difficult to develop an accurate estimate of the cost to Monroe County of implementing a more expansive absence reimbursement policy. Monroe County does not want to have to close enrollment due to insufficient funds. County officials are understandably hesitant to implement a more expansive absence reimbursement policy without any sense of the cost of that action.

One way to protect the county against these potential consequences is to take advantage of the option of limiting the absence reimbursement policy to contracted providers. Monroe County should initially contract at the existing market rates with a small number of child care providers, require them to fully use the state's Child Care Time and Attendance (CCTA) system or another approved time reporting system, and closely monitor the costs associated with reimbursing for absences over six months. The county should establish

clear criteria for this initial cohort of contracted providers, and should strive to ensure they are representative of the broader child care system in Monroe County. This includes:

- Both urban and suburban settings
- A mix of provider types (child care centers, family child care, group family child care, and school age child care)
- Both providers who serve a high percentage of families receiving subsidy and providers who have a small percentage of subsidy families
- Settings that serve infants and toddlers benefiting from subsidy funding

Monroe County should also consider prioritizing accredited programs and those participating in QualityStarsNY.

After monitoring this more expansive absence policy among this small group of providers for six months, the county will have a much better sense of the fiscal impact of implementing a strengthened absence reimbursement policy countywide. It can then decide whether and how to expand the absence reimbursement policy to more providers, revisit the scope of the policy, and determine whether the county has the financial resources to build this cost into the FY 2021 budget.