CHILD CARE AND WELFARE REFORM

A Dissertation APPROVED FOR THE
DEPARTMENT OF SOCIOLOGY

BY

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CHILD CARE AND WELFARE REFORM

Chapter I

Introduction

Background of the Problem

Originally, “welfare,” or Aid to Families with Dependent Children (AFDC), was intended to provide financial aid to widowed mothers while they stayed home to take care of their children. By the early 1970s, welfare became a time-unlimited means of support for poor, single mothers. The government’s view disregarded the circumstances that led them to being single mothers. By the 1980s questions arose about a welfare system that helped contain poverty but which provided little incentive to mothers to graduate from welfare to permanent work. By the mid 1990s the federal government replaced "welfare as we know it" with new regulations. The belief was that families had become too reliant on government for sustenance and that individuals should be more self-sufficient. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 changed the focus as well as the name of welfare. Public assistance has changed as well as parental work obligations and expectations. This affects children because more children need care while parents are at work.

Since 1996, the cash assistance program has been called Temporary Assistance to Needy Families (TANF). Now the goal of the government is to give states the opportunity to move parents, particularly single mothers with dependent children, from welfare to work with success. Success is defined as employment for the parent(s) while providing quality child care that leads the
offspring generation away from future welfare needs. Better stated, self-sufficiency is the new goal. The mandate for work diminished the welfare rolls, from 12.2 million recipients in 1996 to 5.3 million in 2001 (Hays 2003). In the United States, the lack of affordable quality child care remains a major obstacle to employment for single parents and a burden on employed parents. As Marian Wright Edelman, President of the Children's Defense Fund, states, "If we are serious about rewarding work and helping people stay off welfare and keep their jobs, then we must make quality child care affordable now” (Children's Defense Fund 2000). The key to the success of moving people from welfare to work is through child care. In order for former welfare recipients to find and hold jobs to remain off welfare, there is a tremendous need for quality but inexpensive child care.

The stated goal for Oklahoma’s Department of Human Services (OKDHS) Division of Child Care (DCC) is to provide high quality, affordable child care to low-income families who are striving to maintain employment and stay off the welfare roll. Child care subsidies are provided through the TANF program by providing additional money to help parents afford care. Unfortunately, failure to use the subsidies frequently sends former welfare recipients back to the welfare rolls. According to a study by Schumacher and Greenberg (1999), most people who left welfare and are now working are either (1) not receiving a child care subsidy; (2) lack awareness of a child care subsidy system; or (3) indicate that child care problems make it difficult to obtain employment, retain employment and move to better jobs. These people are at a high risk of returning to welfare.
Nationwide, there are 10.5 million children under the age of 13 in low-income families whose parents work full-time or part-time (WIN 1999). In Oklahoma, approximately 58 percent of all parents with children under age six are in the labor force\(^1\), and 156,000 children under six are in child care (US Bureau of the Census 2000).

The connection between welfare reform and child care is obvious: if parents cannot obtain quality child care, the goals of welfare reform cannot be realized. Therefore, child care is a work force issue on at least two fronts. TANF recipients need child care to obtain self-sufficiency, and all children need high quality services to enhance their personal development.

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\(^1\) According to the National Child Care Information Center (NCCIC) based on data collected from 1993-1997, 64% of children under 6 are living with one parent who is working or both parents who are both working (www.nccic.org/statepro/oklahoma.html).
Statement of the Problem

The goal of welfare reform is to break the cycle of poverty by addressing two generations. Both the parent(s) and the children must learn how to separate themselves from the welfare system. The goal for their children is that child care enhances their social, emotional and educational development. This dissertation briefly addresses the employment issues facing low-income families apart from child care issues. However, a primary focus of this dissertation is the relationship between the employment and self-sufficiency goals of welfare reform and how those goals directly affect the availability, affordability, and quality of child care for low-income families. Is high quality child care available to underprivileged children?

Former clients leave TANF for a variety of reasons. Some obtain gainful employment while others may leave due to a change in family circumstances. Of those who leave due to employment, do they know state-funded child care assistance is available? Are they using the child care subsidies available to them? If former clients leave TANF due to employment, do those who use a subsidy at the time of leaving use licensed care at a higher rate than those who do not use a subsidy, and are those with a subsidy more likely to use center care versus other kinds of child care? Finally, are the former clients using higher quality child care due to the subsidy program?

A second focus of this dissertation is to examine the effects of the welfare reform goals on the child care industry. How is the child care industry reacting to the new laws and policies and what level of quality are they offering to low-
income families? Specifically, how does welfare reform affect the availability, affordability and quality of child care for low-income single-parent families and their children?

Quality of child care is an important issue in the Oklahoma TANF program. In Oklahoma, Reaching for the Stars (Stars) is a program initiated by the Oklahoma Department of Human Services, Division of Child Care. The program was implemented in February 1998 and designed to address the child care needs of the poor and working poor in Oklahoma. Reaching for the Stars is a tiered-reimbursement program that provides financial incentives for child care centers and family child care homes\(^2\) to improve the quality of their care. Low-income families can get larger subsidies for placing their children in higher quality child care arrangements (Appendix A). One Star child care providers meet licensing requirements and receive the basic reimbursement rates for children whose care is subsidized by the Oklahoma Department of Human Services. One Star Plus programs have additional staff training, read to children daily, and offer a variety of methods for parents to become involved. Two Star providers meet

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\(^2\) "Child Care Center" means a facility that provides care and supervision for children and that operates for more than 30 hours per week. Facilities not required to be licensed are programs operated during typical school hours by a public school or by a private school that offers elementary education in grades kindergarten through third grade; summer youth camps for children at least five years of age that are accredited by the American Camping Association or other national standard setting agency or church camp accreditation program; programs in which children attend on a drop-in-basis and parents are on the premises and readily accessible; and other programs not designed or intended for child care purposes. However, exempt facilities may be licensed upon their request. "Family Child Care Home" means a family home where care and supervision are provided for seven or fewer children for part of the 24-hour day. Care not required to be licensed includes care provided in the child's home or by relatives and informal arrangements which parents make with neighbors, friends, or others for the occasional care of their children. "Large Family Child Care Home" means a residential family home which provides care and supervision for eight to twelve children for part of the twenty-four hour day.
additional quality criteria, such as teacher qualifications, staff compensation, and program evaluation. Three Star programs are nationally accredited and meet Two Star criteria and receive the highest reimbursement rates (Appendices A and B).

This study examines the program’s effect on the quality of child care the children of former TANF recipients receive. Specifically, since the Reaching for the Stars program was implemented, have the number of licensed child care slots available to the children of TANF clients increased? How many One, Two and Three Star slots are now available to the children of former TANF recipients? Finally, of the providers licensed before Reaching for the Stars, how many have remained One Star and how many now qualify for Two or Three Stars? Since Reaching for the Stars went into effect, how many are now licensed as One, Two and Three Star providers?

Through the Stars program child care providers are addressing the issues of availability, affordability and quality. The Stars program offers child care subsidies that are directly affecting the availability and affordability of child care. In addition the requirements included in the policies for the Stars program are directly addressing the issue of quality

History of TANF, Employment, and Child Care

Parents and Children

Mothers’ pensions, which appeared at the state level in 1911, took the first step toward large-scale government assistance to economically distressed households. The national government intervened two decades later, when
President Roosevelt signed the Social Security Act of 1935. Included in this landmark legislation was the Aid to Dependent Children (ADC) program, which directed the states to establish and maintain public assistance programs. ADC was viewed as an acceptable corrective action to a poverty problem that was greatly exacerbated by a depressed economy. In 1935, mothers with children were not expected to work outside the home. But the Second World War cast mothers into the labor force. By 1962, when ADC was revamped into Aid to Families with Dependent Children (AFDC), ideas about welfare were already changing in response to the increasing number of women in the labor force (Johnson and Tafoya 1999, 3). Divorce, relatively uncommon up to this point, also increased since the 1960s and changed the public's view of financial assistance for single mothers. Rising divorce rates were accompanied by rising rates of teenage single-mother childbearing. Those who were divorcing and teenage single-mothers were not attractive to support because they were both making “poor” choices. The public wanted them to pay for their bad choices (Cherlin 1998).

Social unrest in the 1960s and the conservative backlash that followed also altered the landscape of welfare politics (Sundquist 1986, 529). Issues relating to gender, race, budgets, incentives and fairness complicated the discussion. The old welfare system was accused of harming mothers, and African-Americans in particular, by excusing them from work. Taxpayers resented government support for second-generation welfare recipients. Politicians from both parties hatched plans to get people off welfare. The main
themes of the reform movement were individual responsibility and work (Kickham 2000).

The Work Incentive (WIN) program, established in 1967, was the first nation-wide effort to stimulate work through economic incentives and varying degrees of coercion (Ostow and Dutka 1975, 72). The focus on incentives is symbolized by earnings disregards, which allowed working recipients to keep more of their earnings. WIN also forced the states to establish work programs and sanction recipients for noncompliance. These policies represented an important philosophical step toward serious reform (Kickham 2000). At the street level, however, WIN did little more than create a "substantial amount of hassle and inconvenience for those on the rolls" (Teles 1998, 95).

Despite WIN’s failure (Gordon 1978), most experts continued to harbor faith in welfare-to-work policies. The next manifestation of this thinking was the 1988 Family Support Act (FSA) and its centerpiece, the Job Opportunities and Basic Skills (JOBS) program. JOBS, a labor activation program, was designed to facilitate transitions from welfare to work. The work requirements and sanctions contained in JOBS legislation weakened the entitlement status of welfare. By the middle of the 1980s it had become politically feasible to require work in exchange for the welfare benefit. This made the welfare check more like consideration in exchange for performance, and less like an entitlement. JOBS was fully implemented in all states by 1991 (Kickham 2000).

Prior to 1996, certain people (single mothers, primarily) at low levels of income possessed a right to public assistance across the United States. Thus,
AFDC was a means-tested entitlement. On August 22, 1996, President Clinton signed into law the latest welfare reform--the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (P.L. 104-193), also known as the Welfare Reform Act of 1996. The 1996 reform abolished AFDC and created in its place a program called Temporary Assistance for Needy Families (TANF). The TANF program is based on the notion that welfare should be temporary or transitional, but not a way of life and relies heavily on work requirements to reduce welfare dependence.

The new law combines the old public assistance function (AFDC), Emergency Assistance (EA), and the training/employment function into a single block grant to states in the TANF program. TANF is about personal responsibility, and this concept is embodied in the new time-limited nature of welfare benefits. In most cases, federal TANF funds are forbidden to recipients who have received assistance longer than two years at a time or five years in all. States are free to set time limits more strictly and many of them have done so. Policymakers await with great interest the effects of time limits on recipient families, because the most likely to be affected by time limits are those whose labor market participation is highly problematic.

As a block grant, TANF provides a fixed annual appropriation of funds from the federal government to each state. States receive a finite amount of federal welfare dollars. This funding constraint did not exist until the 1996 "block-granting" of public assistance. Previously, federal dollars were uncapped, allowing states to meet unanticipated need. All persons who met the federally-
prescribed eligibility criteria, most having to do with income, were legally entitled to an AFDC benefit. States established their own benefit levels, but they could not withhold the benefit from an eligible claimant.

Under AFDC, individuals were entitled to assistance indefinitely as long as income and other eligibility criteria were met. Certain individuals also received guaranteed child care benefits while states received uncapped federal matching dollars for program expenditures. Benefits were guaranteed to eligible individuals, even in recessions and economic downturns. With TANF, the individual entitlement to means-tested assistance vanished. The 1996 legislation marked the end of a welfare program that had been in place since 1935.

*Division of Child Care and the Reaching for the Stars Program*

In 1989, Oklahoma Senate Joint Resolution 39 created the Advisory Task Force on Child Care. The task force was comprised of legislative members and child care professionals. Their task was “to study and make recommendations to address the growing and widespread need for safe, affordable, quality child care for families of all incomes…” (Joint Legislative Advisory Task Force on Child Care 1990, 58). The task force identified the state’s strong licensing law, the Oklahoma Child Care Facilities Licensing Act, as a foundation for building quality child care. However, no other initiatives addressed quality. The task force identified the need for improving the state’s subsidy program because “good child care providers were having difficulty remaining in business because the state subsidy for child care was too low” (Joint Legislative Advisory Task Force on Child Care 1990, 3).
The task force recommended that OKDHS’s child care assistance program be revised and that it develop and implement criteria for quality child care. This was to include using peer and self-review processes and establish a grading system that recognized superior programs based on specific criteria known to improve quality (Building Better Child Care in Oklahoma 1990).

In 1995, the Division of Child Care and The Oklahoma Early Childhood Professional Development Team commissioned the study, Professional Development Status of the Oklahoma Child Care Workforce. The purpose of the study was to describe the training status of the child care workforce in licensed Oklahoma child care centers and family child care homes. The study sought to determine the qualifications and training of family child care providers, center directors, center staff, and trainers. Fifty-two percent of child care centers and family child care homes in Oklahoma participated in the study.

The Professional Development study found that Oklahoma child care providers, whether center-based or home-based, were poorly paid and had little formal education beyond high school. Few providers had professional certification or belonged to professional organizations. More than 50 percent of the family child care home providers sampled earned less than $11,000 per year from their business. More than 50 percent of the child care directors earned less than $16,000 annually. Nearly 75 percent of child care center staff earned less than $11,000 per year. Few family child care providers had education beyond

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3 Many child care providers do work part-time and this has to be considered when examining these numbers.
high school. Of those who had taken courses beyond high school, most had attended vocational-technical training courses rather than two or four-year institutions of higher education. Just over seven percent had Child Development Associate credentials. None had state certification in early childhood education. Child care staff typically had one year of education beyond high school. Sixty-seven percent indicated they had attended some form of higher education. However, few providers graduated from higher education child-related programs. Twenty-seven percent held professional certifications, with a quarter of these possessing early childhood or elementary education certificates. Directors averaged two years of formal education beyond high school. However, graduation from higher education institutions is low for directors, as was any form of teacher certification (20 percent). The study recommended that one way to improve the quality of child care was to require more formal education for child care center directors (Dunn 1995).

In 1996, the Division of Child Care commissioned the Market Survey of Child Care Rates in Oklahoma to begin the process of improving the subsidy rates. Seventy-eight percent of state licensed child care centers and 69 percent of state licensed family child care homes participated in the survey. Results of the survey were grouped by similarity of rates and by age: school-age children, two through five year olds, and infants and toddlers. The existing subsidy rate schedule paid a flat rate for each child regardless of age, child care setting, or location. Oklahoma’s 77 counties were divided into high cost, medium cost, and low cost areas based on the average daily rates charged according to age group.
The survey showed that over half the children in child care in the state received care in the high cost areas.

Results indicated that rates charged by child care centers averaged between 10 and 16 percent higher than rates charged by family child care homes. It also showed the maximum reimbursement rate paid by OKDHS was substantially lower than the daily rates charged by providers. In the high cost areas of the state, the average OKDHS reimbursement rate was 24 percent lower than the average market rate for child care centers and 18 percent lower than the average market rate for family child care homes (Penn 1997).

Faced with the results of the two studies, the Oklahoma State Legislature encouraged OKDHS to tie quality child care indicators to an increase in the child care subsidy reimbursement rate received by the provider. The Welfare Reform Block Grant Advisory Committee recommended a tiered-rate system. Programs meeting licensing requirements would receive the basic reimbursement rate. Programs meeting higher criteria would receive a higher rate. The committee reasoned that linking higher reimbursement rates to quality indicators would encourage facilities currently meeting only minimum licensing requirements to improve the quality of care provided. This policy assumed that meeting requirements resulted in higher quality care.

Reaching for the Stars

The Reaching for the Stars program, implemented in February 1998, attempted to address the issues of affordability, availability, and quality of child care. The
program was created to address several concerns, including: (1) the critical role of early childhood experiences, particularly with regard to school readiness and the later success as an adult; (2) the quality of care at child care facilities; and (3) the increasing number of low-income parents who rely on child care to remain in the labor force working toward self-sufficiency. The program, which is linked with the child care subsidy program, is intended to meet three goals. The first goal is to raise the OKDHS child care subsidy reimbursement rate resulting in more slots for children whose families are receiving child care assistance. The second goal is to improve the competency level and salaries of child care providers, thereby increasing the overall quality of care. Finally, OKDHS seeks to provide a system whereby parents can evaluate the quality of child care programs.

The Components of Reaching for the Stars

Reaching for the Stars went into effect in February 1998. The program provides financial incentives for child care centers and family child care homes to improve the quality of their care. There are four levels One Star, One Star Plus, Two Star, and Three Star programs. One Star programs meet licensing requirements and receive the basic reimbursement rate for children whose care is subsidized by OKDHS. The standard quality criteria that must be met by all One Star Plus, Two Star, and Three Star programs include:

- Center directors, teachers and family child care home providers must receive additional training in child development annually.
- Family child care home providers and master teachers in centers must have an early childhood credential or degree with hours in child development.
- Centers must have weekly lesson plans and interest areas to facilitate a variety of activities.
- Family child care homes and centers must involve parents in a variety of ways.
- Center teachers and family child care home providers read to children daily.

In July 2000 a One Star Plus certification level was created as a transition rate between One and Two Star. Providers must meet some criteria initially, other criteria at twelve months, and the final criteria at the end of two years when they either become Two Star or return to One Star status. One Star Plus programs must meet the basic licensing requirements plus minimum additional quality criteria (listed above) which focuses primarily on additional teacher training, reading to children daily, parent involvement and program assessment.

Two Star center directors must have 40 hours of formal training in administration and management per year. Two Star facilities must employ master teachers who support other teaching staff with responsibilities such as program development, weekly lesson plans, use of space and equipment, interactions with parents, and program evaluation. Master teachers have a two- or four-year degree or a Child Development Associate (CDA) or Certified Child Care Professional (CCP) credential as evaluated by an Oklahoma-approved CDA advisor or CCP counselor. Teaching staff have 20 hours of training annually. Two Star centers establish a salary scale with increments based on level of education, credentials, training, and years of early childhood experience, and current weekly lesson plans appropriate for the developmental needs of each group of children. Space for children two years and older is arranged in
interest areas to facilitate a variety of activities. It involves parents through daily communication, parent conferences, resources, handbooks, and program and policy development.

Two Star family child care homes have documentation of 20 hours of training annually from an OKDHS-approved source. This training must have been obtained within the last 12 months. The provider must also have current documentation of pediatric first aid training, including rescue breathing and first aid for choking, provided by the American Red Cross or its equivalent. Two Star family child care home providers have a CDA with an Oklahoma approved CDA advisor, a two or four year degree in early childhood education or child development, or a two or four year degree and 12 credit hours in early childhood education, child development or a closely related subject. OKDHS allows for an exception in that a provider may request a waiver from the home provider qualifications. To be eligible for a waiver, the family child care home provider must document five years of full-time experience in a child care setting, provide documentation of 50 hours of related training within the last five years, and agree to meet the home provider qualifications within 12 months.

Two Star family child care home providers distribute written policies to parents upon enrollment, and the provider has signed contracts with each family. The provider encourages parents to visit anytime their children are present, and welcomes parents to move around in all parts of the home used for child care. The provider arranges for and documents, at least once per year, a conference with each child's parents. They discuss the child's current interests,
accomplishments, and challenges, and set goals together. The provider makes opportunities available for parents to be involved in the program's activities. The provider has information available about community resources that provide services to parents and children and makes referrals to community and medical services as needed.

In July 1999, the Three Star component of the Stars program went into effect. To be approved as a Three Star program, centers and homes must be accredited by a national accrediting body and meet the Two Star criteria. Two and Three Star programs are evaluated annually with the Early Childhood Environment Rating Scale. The results are used by the provider and OKDHS to determine if the program has impacted the quality of care.

Conclusion

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (P.L. 104-193), also known as the Welfare Reform Act of 1996, seeks to provide families with the tools necessary to become employed and stay off the welfare rolls. Helping families afford child care is a public policy issue with far-reaching consequences for all states. For example, one group called the Southern Regional Task Force on Child Care was developed to identify issues and create strategies to improve access to child care assistance for low-income families in the southern region. The goal of this task force is to provide improved access to financial aid for child care and to “assure that low income families are able to obtain affordable, quality child care that will improve
opportunities for children and their parents” (Southern Regional Task Force on Child Care 2000; iii).

As previously mentioned, there are numerous issues at hand. However, this paper will have two primary focuses by addressing the problems that low-income single mothers and their children are having regarding employment and obtaining affordable, quality child care. Specifically, this paper will address the effects of leaving TANF due to employment. Briefly, it will be examined whether a client leaves the TANF welfare rolls due to employment or other reasons. Other questions will be explored too. If they are leaving due to employment, are they using child care subsidies? If not, what are the reasons they are not using the subsidies? Does the utilization of child care assistance make a difference in the type of child care they are using? And of those who are not using the subsidies, are their children in licensed or unlicensed care? When focusing on whether the child care environment enhances low-income children’s personal development, the quality of child care received is examined for these poverty families.

Another focus is from the perspective of the child care providers, specifically examining the impact of the Reaching for the Stars program’s requirements and subsidy program. Has the program given the incentives necessary for child care facilities to improve their quality? Are the facilities upwardly mobile, staying the same or downwardly mobile? Are TANF-subsidized children attending the quality child care facilities the Reaching for the Stars
program intended to reach? The following section examines the literature surrounding all the issues focusing on welfare clients and their children.
Chapter II
Literature Review

The goal of PRWORA, as discussed at length in the previous chapter, was to reform the welfare system and create a system where individuals and low-income families were more self-sufficient and less reliant on the government. States were given the funding and discretionary authority to develop programs that would accomplish this. Many social programs were altered in an attempt to alleviate the barriers standing in the way of self-sufficiency. This dissertation focuses on one specific barrier to low-income families becoming self-sufficient—child care.

This chapter examines the scope and purpose of the literature addressing child care in the context of welfare reform. A growing body of research examines the problems low-income working parents face when moving from welfare to work, or just trying to obtain and retain employment. In fact, the literature dealing with child care in the context of welfare reform focuses primarily on low-income families or welfare recipients. Unfortunately, there are very few major studies focusing on the child care providers’ side of the equation. This is one of the important gaps this analysis will fill. A review of the literature will therefore focus on the perspective of the child care consumer rather than the child care provider. For the consumer five issues are important to address: (1) child care subsidy programs, (2) the utilization of child care subsidies by low-income families, (3) the type of child care low-income families choose for their children, (4) the quality of child care, and (5) the participation of child care providers in the
programs developed. As a result of welfare reform, and the concomitant need for a child care program that would reduce the barriers to self-sufficiency, Oklahoma’s human services community faced many new questions. The remainder of this chapter is divided into five major sections each structured around a specific question that states must address when developing their child care programs. The five questions have tremendous implications for employment and self-sufficiency.

**Child Care, Employment, and Self-Sufficiency**

*What will happen to the children of welfare clients moving toward self-sufficiency?*

**Making Ends Meet**

The economic reality, according to Edin and Lein (1996), is that neither welfare nor low-wage work gives a single mother enough income to meet her family’s expenses. Most welfare recipients must come up with additional sources of help just to cover the cost of their most basic needs (Hays 2003). Therefore, welfare recipients and low-wage workers employ survival strategies to make ends meet. Before welfare reform was implemented in 1996, welfare recipients had several advantages over working mothers in this regard. They were able to generate extra income by working at side jobs and by obtaining cash from people in their support networks (e.g., community groups and local charities), while working mothers had much less time to work a side jobs or solicit aid. In addition, Edin and Lein (1996) point out that working mothers face financial deficits because they often do not obtain benefits like Medicaid and Food
Stamps but do have considerable work related expenses. However, welfare reform with its emphasis on funding child care, providing more child care subsidies to low-income families, and the positive development of children through high quality child care, this may give working mothers more of what they needs to make ends meet.

The Effects of Employment on Children

The impact of welfare reform, or welfare-to-work programs, involves parents and children. Zaslow, Moore, Tout, Scarpa, and Vandivere (2002) examine how children are faring under welfare reform, while Edin and Lein (1996) focus on welfare or low-wage working single parents (mothers in particular). In their study, Zaslow et al. (2002) found that parents who participate in welfare to work programs that have strong financial work incentives are more likely to have their young children show improvements in their behavior and academic performance. Their findings also suggest that the cognitive development of young children may improve when parents increase their educational attainment as part of a welfare-to-work program.

Research that has examined the effects of two-generation programs for families in poverty (Smith 1995; St. Pierre, Layzer and Barnes 1995) suggests that children can benefit from programs that address parental barriers to employment. Programs that also address children’s developmental needs directly (through high-quality early childhood care and education, for example) are particularly promising. In addition, research on two-generation programs
caution that both the adult and the child components need to be of sufficiently high quality and duration in order to affect both generations positively.

The Child Care Subsidy System

Will we be able to develop a strong child care subsidy system with equal access to quality for low-income children? States have flexibility to make their own decisions about how to implement the new welfare policies. Policy makers, advocates, and the clients themselves have an interest in making sure that programs are actually producing the intended results. Since every state has the ability to make its own decisions, much research across the United States has tried to examine the differing responses to the new welfare reform laws, specifically, the new initiatives in child care to increase quality, availability and affordability. Utilization of child care subsidies, type of child care, and the quality of child care that low-income families use has been examined. Child care subsidy systems currently in place have also been scrutinized. Have the changes in the state programs actually helped working mothers stay employed and off welfare? Are child care systems efficiently responding to the needs in child care? How do the aspects of care differ depending on characteristics of the children and families (Ehrle, Adams, and Tout 2001)? These questions will be addressed in the remainder of this section.

Public funding for subsidies grew in the 1990’s due to welfare reform. In an effort to help low-income parents work, and in an effort to address the barriers they faced in maintaining employment, aid was given to child care programs to help in the cognitive development and safety for low-income
children. Child care funding has been acquired through two sources, the Child Care and Development Fund (CCDF) and the TANF block grant. The main objective of the federal child care program is for families receiving subsidies to have “equal access” to child care comparable to the child care of non-subsidized, or private pay, children (Adams and Snyder 2003). In addition, states are increasing their use of TANF funds for child care either by spending them directly out of TANF or by transferring funds to the CCDF (Adams and Rohacek 2002). Subsidies pay for the care of approximately two million low-income children. (Adams and Snyder 2003).

Welfare reformers argue that by providing stronger subsidies for child care the barriers to employment will be lowered. Layzer and Collins (2000) report that since welfare reform policies went into effect, from approximately 1997 to 1999, the median adjusted spending per federally-eligible child nearly doubled in the studied states. The first year the Child Care and Development Fund (CCDF) and the TANF block grant were consolidated (fiscal year 1997), all states met the "maintenance-of-effort" and matched spending requirements to receive their full allocations of federal CCDF dollars. State and federal spending on child care reported to the federal government for 1997 increased 35 percent from the previous fiscal year. State and federal spending on child care is primarily used to finance child care subsidy systems and for activities to enhance quality such as direct child care services, health and safety regulations in child care facilities, training and education for child care practitioners, salary enhancements for teachers completing college courses, consumer education for
parents, and Child Care Resource and Referral systems for practitioners, parents and communities.

Child Care subsidies play a key role in welfare reform efforts because they assist families trying to leave welfare. Subsidies can serve to reduce or eliminate the need for welfare among low-income working families (Adams and Rohacek 2002). Child care subsidies are intended to help low-income parents become established in the workforce. However, getting and keeping child care subsidies can jeopardize a parent’s job due to the rigorous and cumbersome processes involved.

**Utilization of Child Care Subsidies**

*What factors contribute to the ease or difficulty of utilizing child care subsidies?*

Two important questions are addressed in the literature. How does policy and practice affect subsidy utilization? What can be changed to eliminate the difficulty in accessing child care subsidies for low-income single-parent families? It seems clear that three factors contribute to the ease or difficulty with which families can access and retain child care subsidies (Adams, Snyder, and Sandfort 2002). Funding levels are very important, because insufficient resources can limit the ability of local agencies to be responsive to families. Responsiveness is enhanced when states can support appropriate training programs and technologies. As Hays (2003) points out, local agencies are prone to poor performance because of problems with new computer systems not working properly. State and local policies can also limit access to child care subsidies. Policies could be simplified and made easier to understand, thereby
improving access to the system. Unfortunately, caseworkers in some states are asked to input all information into two different programs in order to make sure records were not lost (Hays 2003). Presumably, this duplication of effort reduces program effectiveness. Finally, local agency practices can influence the level of responsiveness. Extending office hours and minimizing office waits would reduce the difficulty parents have in meeting the requirements. There are a number of subsidy policies and practices that make it difficult for low-income eligible families to access and retain child care subsidies. As one might expect, there were new rules to be learned, with staff procedural manuals changing and growing, and with job titles and duties changing and being created. Unfortunately, “a vast amount of time was spent discussing the changes and how best to implement them” (Hays 2003).

The eligibility process involves many face-to-face meetings between caseworkers and parents during limited and strict hours. The parents must apply for subsidies in person, periodically re-certify their eligibility; and report any changes in job, income, child care provider, residence, or marital status. In some states parents could comply with the requirements by phone or mail, but some clients reported their phone calls went unanswered or their mailed paperwork was lost (Hays 2003). It is a tedious and time-consuming process that can force low-wage workers to forego the program due to its interference with work. Research shows that families must do far more to get and keep their subsidies than has generally been recognized (Adams, Snyder, and Sandfort 2002). In other words, policy goals and practices do not always match.
These practices may inadvertently undercut the fundamental goals of the child care subsidy system--including supporting work, reducing welfare receipt, and promoting stable child care--and contribute to lower subsidy usage and high subsidy turnover rates. This leads us to the next question: Are people utilizing the child care subsidies that are available to them?

Some studies suggest that mothers who receive child care subsidies are more likely to be employed, in school or in job training than non-recipients. In their examination of how subsidy program rules affect employment and welfare participation, Blau and Tekins (2001) find that child care subsidies encourage employment and school enrollment among welfare recipients. This would be expected since the intent of the Child Care and Development Fund (CCDF) is to facilitate participation in employment and employment-related activities such as education and training.

Unfortunately, many low-income mothers are not utilizing the subsidies available to them. According to Layzer and Collins (2000), 12 out of 15 states in their study reported over 30 percent growth in the number of children receiving subsidies from 1999 to 2001. However, most states in the study only served 15 to 20 percent of federally-eligible, children and no state served more than 25 percent. The absolute number of children on TANF who received subsidies was also less than expected. As a result, most of the growth in child care subsidies was accounted for by children in families who had left TANF or who never received it. In 1999 compared to 1997, a larger proportion of families using subsidies were not currently on TANF.
One study by Schumacher and Greenberg (1999) addresses both employment status and child care subsidy receipt. The findings indicate that most respondents who have left welfare and entered employment are not receiving child care subsidies. In other words, a significant number of people that could benefit from child care assistance after leaving TANF are not receiving it. Among the 15 sites studied, they found utilization rates of less than 50 percent in all sites and less than 30% in most sites.

Fuller and Kagan (2000) studied welfare recipients who were actually using the child care vouchers or finding a subsidized child care slot in a licensed facility. They interviewed the welfare recipients six months after entry into the welfare system in California and Florida, and 18 months after entry in Connecticut. Data for California and Florida showed more than 48 percent are using some source of public subsidy. The results from Connecticut were much lower—under 13 percent. This low percentage for Connecticut may be due to the lack of center-based care in poor neighborhoods, but the researchers are not sure this is the entire reason. They do believe the utilization of subsidies is highly correlated with the selection of center-based care. Typically, the research shows that when utilization of child care subsidies is higher, so is the use of center-based care (Fuller and Kagan 2000). According to Schumacher and Greenberg’s study (1999), of those who use subsidies, 55 percent use licensed child care centers. Still, most respondents who have left welfare say they rely on friends or relatives for child care and are not using subsidies.
Neither, Fuller and Kagan (2000) nor Layzer and Collins (2000) directly address the utilization of child care subsidies after leaving the TANF system and entering employment. Fuller and Kagan (2000) examine utilization of child care subsidies 18 months after entering the new welfare experience. They do not examine utilization due to employment and exiting the TANF system. The National Study of Child Care for Low Income Families (Layzer and Collins 2000) did not examine this issue from this perspective either. Instead, they looked at cross-state comparisons, and specifically at how the seventeen different states meet the needs for child care assistance of families who are no longer on TANF or who never received TANF. For example, from April 1997 to April 1999, twelve states experienced a 30 percent growth in the number of children receiving subsidies, while five states experienced a 90 percent growth.

**Type of Child Care**

A variety of factors affect the child care arrangements parents make for their children. For example, the age of a child, family income, household composition, and geographic location are all important variables that determine the type of child care arrangement a parent chooses. As the laws have changed to encourage low-income parents to work outside the home and as more federal and state money is being spent on child care, the demand for child care and the flexibility in the child care arrangements for low-income families have increased. This section examines the extent to which the various types of child care arrangements are chosen.
Child care arrangement choices for the 1999 National Survey of American Families (NSAF) include parental care, child care centers, before- and after-school care, family child care providers, relatives, and babysitters or nannies. Twenty-seven percent of the children under five years old whose parents were employed were in parental care, while nearly seventy-three percent (8.7 million) were in an arrangement other than care by a parent. Of the choices provided for the respondents, this would include child care centers, family child care providers, baby-sitters, and relatives. The most common arrangements for preschoolers were center-based care (28%) or care by a relative (27%) (Sonenstein et al., 2002).

In the Fuller and Kagan (2000) study, the median focal child is 2.5 years old, with just under 40 percent being under 3 years old. In Florida, 70 percent of these children are in center-based care. In Connecticut 13 percent of the children studied were in center-based care, while in California the percentage was over 29. It appears that Connecticut parents prefer less formal kinds of child care: 77 percent of children were with kith or kin caregivers. Fuller and Kagan (2000) suggest that supply conditions may be affecting the selection of kith or kin child care choices for parents in Connecticut. There is also a heavy reliance on kith and kin in California, where over half (54%) of mothers relied on this type of informal care.

Sonenstein et al., (2002) found interesting differences when examining parent families) and family income (high-income compared to low-income

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4 Parents who watch their children while at work, parents who arrange their work schedules around each other, or parents who use several arrangements on an irregular basis.
families) at the preschool age. First, high-income children and single-parent families used center-based care (35%) as a primary arrangement while low-income two-parent families more frequently rely on informal or family based care. However, single-parent low-income families are twice as likely to use centers as are two-parent low-income families. Based on her extensive research, Sonenstein concludes that despite increased investment in child care subsidies, the use of child care centers declined for preschool children in low-income two-parent families from 1997 to 1999.

Not all of the funding from welfare reform is going toward child care subsidy programs. A significant amount of TANF and CCDF funding goes for increased quality child care. A central issue for policy makers is what defines “quality.” The next section speaks to the issue of quality.

**Quality Child Care for Low-Income Children**

The issue of quality child care for low-income children is not a new topic, but it is getting a lot of attention since PRWORA. Federal funds directed at child care are often filtered into quality initiatives. For example, the Reaching for the Stars program in Oklahoma, described at length in the first chapter, is a quality initiative. Unfortunately, there appears to be a limited selection of research addressing the quality of child care. Moreover, the findings can be ambiguous. For example, Cooley, Levine, Chase-Lansdale and Li Grining (2001) find that formal child care centers provide care of the highest developmental quality, while unregulated home settings provide care that is most accessible, flexible and satisfying to mothers. This section focuses on (1) potential effects of
How does the quality of child care affect children?

Fuller and Kagan (2000) observed the characteristics and quality of child care providers used by mothers and children in low-income communities in their study. Based on their assessment tools designed for diverse child care settings by child development specialists, four key quality indicators were used: (1) teacher or provider attributes; (2) facilities, learning tasks, and rich language; (3) provider’s sensitivity, warm affect, discipline method, and propensity to explain; and (4) discrete social interactions and language between child and caregiver. The observers recorded five behaviors: (1) the frequency of language between child and provider, including who elicited the talk, (2) the use of materials or activities by the child; (3) the child’s affect and emotional response (laughing, smiling, crying, upset); (4) the frequency and duration of watching television or videos; and, (5) an overall rating of the provider’s engagement and affect in responding to the child.

Based on the criteria outlined above, overall Fuller and Kagan found that center-based child care programs are of higher quality than home-based child care programs. They tend to offer more stimulating and educationally rich settings, on average. Overall, 71 percent of family child care homes or kith and kin arrangements were assessed as poor settings for young children. However, as is the case with the utilization of child care subsidies, the quality of centers varies enormously across participating states and cities. A greater supply of
child care, such as in Florida, does not necessarily ensure a more nurturing and stimulating environment for children. In California nine percent of all centers were assessed as providing poor quality as compared to Florida where 58 percent were rated as poor quality.

*Type of Child Care and Quality*

Data from the 1999 NSAF show that over 20 million children under age 13 whose mothers are employed receive some form of child care, whether in a child care center, in the home of an unrelated adult (known as a family child care home), in their own home by a nanny or babysitter, or by a relative in their own or the relative’s home (Adams and Rohacek 2002).

The goals of welfare reform are more complex than just getting low-income families to self-sufficiency. It has become more about integrating child development into the child care subsidy system (Adams and Rohacek, 2002). The goal of welfare reform is also about the quality of child care for low-income children. Some evidence shows that quality center-based arrangements may play an important role in enhancing skills necessary for children’s successful transition to school (Capizzano and Adams 2004). Overall, 73 percent of children under five with employed moms were in some type of non-parental child care. Capizzano and Adams (2004) pay special attention to the differences in income for three to four year-old children who have a working mom. They found that children living with working mothers with higher-incomes (at or above 200% poverty threshold) are more likely to be in non-parental child care than children of lower-income levels (below 200% of the poverty threshold). Specifically, they
found that children of a higher-income level are more likely to be in center care while children of lower-income levels are more likely to be in relative care. They also found that children of lower-income parents are also more likely to be in a family child care home and with a nanny or babysitter (with the biggest differences among the youngest preschool children). Capizzano and Adams (2004) suggest this all indicates a missed opportunity for low-income children by placing children with relatives as opposed to center based care.

In Fuller and Kagan’s (2000) study, however, subsidy take-up is highly correlated with selection of center-based care. Apparently, word is not getting out that vouchers can be used for kith and kin care (though this is not the case in Oklahoma, where subsidies may only be used for licensed child care providers). The bulk of cash spending is for home-based providers such as family child care homes (FCCH) or kith and kin child care providers. However, Fuller and Kagan (2000) found mothers 18 months into the new welfare experience were using some source of public subsidy for child care. These sources include entry into a subsidized center or preschool, receipt of local scholarship or participation in a welfare-linked voucher system.

Rates of relative care ranged from five percent in Connecticut to 30 percent in another Florida. In five states approximately 70 percent of subsidized children are in center care but the figure is less than 40 percent in five other states. Thus, the range appears broad from state to state (Fuller and Kagan 2000). Overall, there was growth in the use of child care subsidies over the three-year period studied. However, evidence suggests a significant
underutilization of subsidies. Unfortunately, in the states in the Layzer and Collins (2000) study, only 25 percent of eligible children received child care subsidies, and in most states it was less than 20 percent. In general, it is believed that parents entering the workforce are able to find child care. Contrary to that belief, long-standing shortages were often reported in low-income neighborhoods, and in types of care used more frequently by low-income families.

Thus far I have examined the issues associated with low-income families who are entering employment and trying to obtain self-sufficiency. Now we need to examine these issues from the supply side, the child care provider. Unfortunately there is very little literature in this area.

**The Child Care Industry: Child Care Providers**

*What will it take for child care providers to participate in the programs we develop?*

Child care providers comprise a critical element in achieving the goals of welfare reform. Providers allow low-income parents to work and become self-sufficient. Given their importance, it becomes necessary to ask what affects the willingness of providers to participate in the subsidy system. Ancillary issues include the quality of care they provide and their financial stability. According to Adams and Snyder (2003) in their analysis of the implications for child care providers, subsidy policies and practices can shape experiences of providers serving low-income subsidized children. These experiences are determined by
the size of payments providers receive as well as their overall satisfaction with the system.

In many states, including Oklahoma, child care providers face a complicated process due to policies that are in place. In most cases, DHS pays child care providers part of the subsidy payment while clients are responsible to pay co-payment amounts based on the schedule determined by DHS (Appendix C). However, child care providers may have trouble collecting the money owed to them by either the subsidy family or DHS. This situation could discourage and deter them from continuing to take low-income families utilizing child care subsidies.

Many times this process can be tedious and time-consuming. There are many policies in place that create complications and misunderstandings between child care providers and state agencies regarding the payment process. For example, it is required under state and federal law to be authorized for payment. This is a complicated component that is time-consuming and requires large amounts of paperwork. Many times there are errors by state workers, and these errors affect the timing and reliability of payments to providers. Thus, these errors affect providers’ financial stability. Other policies, such as maximum reimbursement rate ceilings, differential rates, providers with rates above the state rate ceiling, absent day policies, reimbursement for other fees, part-time subsidies, and reimbursement for full period of service, are many other examples that create complications, misunderstandings, and disagreement between child care providers and state agencies. In addition, child care
providers have the responsibility of collecting fees from parents, co-payments, or collecting the entire payment (Adams and Snyder, 2003).

All the reasons provided, including issues surrounding the payment process and providers' interaction with the system, affect the child care providers' financial stability. This is likely to influence the willingness of providers to participate in the subsidy system and provide care to low-income families who utilize child care subsidies.

Conclusion

A review of the literature shows what current research indicates about the effects of the new welfare reform law, and administrative policies and practices, for low-income families utilizing welfare benefits and child care. The literature suggests that it is difficult for both low-income families making a small wage and those receiving welfare benefits to make ends meet. However, given the funding streams associated with welfare reform, many programs, such as child care subsidy programs, provide financial boosts to help families cover the gaps in expenses that go along with working outside the home. In addition, other research shows that strong financial work incentives have a positive impact on the development of children, especially those programs that have a dual focus of addressing the barriers for parents as well as the developmental needs of children. However, even though there are additional benefits, such as child care subsidies, to address the barriers for working parents, many parents are not utilizing these benefits. Several studies show a lack of child care subsidy utilization across the United States. The literature reveals some reasons for this,
such as the difficulty in obtaining subsidies due to the processes involved. Frequently the technology state agencies use has made these agencies less efficient and less responsive to families. Often the policies are too complicated for the staff to understand, while the hours of operation for state agencies do not easily accommodate working families.

Fortunately for those who make it past the policy and practice barriers and are utilizing the child care subsidies, there are many benefits. Since the intent of welfare reform is to facilitate participation in employment and employment-related activities such as education and training, many low-income families may be on the path to eliminating intergenerational poverty. For example, since funding is going toward child care programs and subsidies, many low-income children are receiving high quality child care they would not have received otherwise. The research shows that children who are in center-based or licensed child care compared to informal or family-based care are more likely to acquire the skills necessary for a successful transition to school.

For the most part, the literature indicates that the goals of welfare reform are being realized, even though all of the available resources are not necessarily being utilized. The literature does not say much about why these resources are not being utilized. Has welfare reform actually “reformed” former welfare recipients and helped them to become self-sufficient adults who are passing on better work ethics to their children? The literature examines many programs that were put into place in different states. Some of the programs seem to be taking
hold and are relatively successful while others do not necessarily meet the goals of welfare reform.

The next chapter explores two possible theoretical explanations to examine if welfare reform has actually been successful and whether low-income families and child care providers are utilizing the services available to them. Due to the complexity of this issue, two theoretical explanations are examined. The involvement of the child care industry makes a macro-level approach useful, while the involvement of consumers implies the need for a micro-level approach.
Chapter III

Theoretical Approach

Many theories (Weber 1968; Wilson 1887; Kaufman 1956; Hagedorn 1995; Peters 1996) tell us about reform and all the elements that are necessary to have successful reform of bureaucracy. Relevant to participation in the Stars program, the various theories give an understanding as to why child care providers and former TANF clients are or are not participating in the 1996 quality reform initiatives. Some child care providers are not responsive to the Stars programs even though it would appear that participation in the program would be to their advantage. What would be the reason for the lack of participation? Would it be due to a lack of information about the Stars program? Or could it be that dealing with the rules and regulations of OKDHS is just too complicated? The perception of some child care providers is that the effort required is just not worth it, possibly because they don’t have DHS clients, making the Stars program irrelevant to them. Likewise, low-income families and DHS clients may not be taking advantage of the child care subsidy program or the quality child care that is being offered in low-income facilities. Why would these low-income families not take advantage of the subsidy program and higher quality child care? Is it due to the fact that they are not aware of these services and programs offered to them, or do they feel it is not available for them in locations that are easily accessible?

Two theoretical approaches are relevant. One is a comprehensive view of reform in a bureaucracy that contains four models (Peters 1996) while the other
employs social exchange theory. Both are examined in an effort to answer the above questions and specifically, why child care providers and low-income families do or do not take advantage of a program that would benefit them financially. These address the macro- and micro-issues of the social problems at hand.

First, it is important to explore the underlying issue of reform in a bureaucratic system. One of the main goals of this dissertation is to consider whether welfare reform is actually working through the initiatives taken with child care programs. B. Guy Peters in “The Future of Governing: Four Emerging Models” (1996) explores reform initiatives in “traditional” bureaucratic systems and suggests many reasons reform initiatives were not successful under the old system. He proposes a four model system, where reform is systematic, has a clear vision, and has integrated strategies, in order for reform to be successful. This theory provides important contributions to an understanding of the issue of “reform”. Peters’ macro-level analysis will be used in this dissertation as a theoretical interpretation of reform. Additionally, social exchange theory will focus on the programs that have been developed as a result of welfare reform and offers a perspective as to why low-income families and child care providers do or do not participate in state programs that would be advantageous to them personally and professionally.

Social exchange theory typically offers a micro- or individual-level of analysis as it pertains to the costs and benefits to low-income families of their choices regarding utilization of child care subsidies. However, this theory also
offers a macro- or group level analysis applicable to the child care industry, guiding an exploration of whether or not child care providers, as a group, are buying into the quality initiatives of the Reaching for the Stars program. In theory, providers would be motivated to offer higher quality child care to children of low-income families who utilize the child care subsidy program.

The market model has a theoretical foundation that is based on contemporary reform driven by ideas. Peters’ main goal is “to look at the ideas that drive the reforms and that provide a diagnosis of the problems as well as the basis for prescriptions to remedy them”. Peters’ theory goes to the heart of whether or not welfare reform is working. Are the programs of reform adopted and the outcomes of the policy process likely to benefit the public more than the system that is being abolished? Are low-income families actually becoming self-sufficient due to the funding and programs developed to address the child care barriers? Has the government actually responded to a societal issue, getting women off welfare and into work, through a reform (welfare reform) that has actually solved problems in society? Or have more problems been created, like a scarcity of affordable and high quality child care for low-income families? Child care was already a problem for working women; but has this problem been exacerbated by forcing low-income women into jobs?

Social exchange theory is relevant at an individual level of analysis. Why wouldn’t clients or child care providers take advantage of programs that would be advantageous for them financially? It is presumed that these programs would give clients an advantage personally to create independence and self-
sufficiency, and for child care providers to build up their businesses by providing better services to their clients. The social exchange theory, on an individual level of analysis, explores the costs and benefits for both low-income families and child care providers. It is important to examine this issue from both of these theoretical approaches because there are two issues—a societal issue based on reform, and a matter of individual choices based on the costs and benefits of the programs created. Together these theories provide a comprehensive explanation of the social issues explored in this dissertation.

The Market Model

Governments have created an array of institutions designed to regulate the behavior of people and organizations. “Institution building” is the exercise of collective control and influence over the societies and economies for which governments have been given responsibility (Peters 1996). Governments, their leaders, and those who work for them continually attempt to find better ways of governing. There is much skepticism and cynicism, by the public and politically, regarding governments’ ability to solve problems.

Peters suggests that skepticism and cynicism are cheap, and that it takes great commitment and courage to continue to attempt to solve problems that exceed the capacity of any individual or private actor to solve. In Peters’ opinion (1996), if the problems had easy or profitable solutions, they probably would have remained in the private sector. Contrary to popular belief, however, the government actually very rarely looks for new problems to solve. The government is most typically handed an insuperable problem that other entities
were unable to resolve. For hundreds of years governments have created new laws and policies to “make things better,” to reform certain situations (Peters 1996). Reform is a recurring theme with the government responding to societal issues through new initiatives. Reform, however, means different things to different groups, and this is where the problems begin. To liberals, reform means “adding on,” while for conservatives reform means “cutting back” (Galper 1975, 2-3). The pendulum continually swings from left to right.

Many theorists’ models of bureaucracy and the structure of government (Peters 1996; Hagedorn 1995; Weber 1968 [in Collins 1975]) address reform and reform initiatives. Peters (1996) examines the efforts being made to “make the government work better.” According to Peters, there has been a change in the definition of what constitutes a “good government” and acceptable public administration. He examines the change from traditionally run government to new styles of governing across different polities. He describes how the long-standing, traditionally-run government has changed due to the economy, demography and how people can be governed. The changes are substantial enough to create new ways of governing. While much of the time government responds to societal issues through reforms, the problem is that reforms solve problems existing at one time, yet often create a new set of problems (which may generate subsequent reforms). It does not mean that the “old” ways of running government were better. However, discarding an existing system of public administration may solve some old problems while creating new ones. For example, in the United States, reforming welfare was designed to get women off
welfare and into work, but created an even more complicated problem regarding unmet needs in child care.

Peters (1996) describes how, since the 1980’s, reform has “swept through the public sector” across the globe. He points out that the changes have been unsystematic, absent of clear vision or integrated strategies, and have internal contradictions. In his opinion reform cannot be successful if it operates in this way. In an effort to offer a systematic and integrated theory of reform, he describes four models of governing wherein ideas are pulled together as a comprehensive theory of reform. The four models he describes explain how these ideas can be brought together in a framework that facilitates clear vision and integrated strategies. One of the models Peters describes is the market model—and the only one that will be discussed in this dissertation due to its cultural relevancy. The market model applies to the laws and policies of reform in the United States.

Peters suggests that to fully understand how to bring ideas together in a comprehensive way, all four models must be understood. The market model, however, is the most common type of reform used by industrialized societies, and is therefore relevant to welfare reform. If welfare reform has not been successful, this reliance on the market model may be the reason why. Ideally all four models are incorporated into the ideas of reform, pulling a multiplicity of ideas together in a systematic way. On the other hand, Peters does say that the market model, itself, is to some degree significantly differentiated and comprises several components. Therefore it is possible that it could support a
comprehensive explanation of reform. This is the second reason why the market model is the only model of the four examined in depth in this dissertation.

Peters describes a “traditional” model of bureaucracy and compares its downfalls to the potentially more successful market model of reform. According to the market model the major problems with traditional public administration are that the government does not provide sufficient incentives to perform jobs as efficiently as possible, administrators maximize the size of agency budgets to enhance their own personal power and income, and bureaucrats and other organizations are overzealous about public policy. As a result, government workers become “lazy” and tend to maximize other benefits (e.g., “on-the-job-leisure”), clients accept government assistance as a means of sustaining life (i.e., they view welfare as an entitlement), and government officials drift further from intended legislation toward their own definition of “good policy.”

In an effort to reform the public sector the market model is a theoretical approach based on the basic belief in the “virtues of competition and an idealized pattern of exchange and incentives” (p 22). The market model reflects a conservative view of the economy. In short, welfare clients should work for their money. Nothing in life is free and money should be earned.

In a similar vein, the Reaching for the Stars program offers incentives to child care providers to provide higher quality child care. As a result, providers are reimbursed at higher rates. The market model says that if there are bad providers out there, they will not get any customers. Therefore, their business will not survive. The demand in society is for quality child care, and if providers
are not offering quality child care clients will look elsewhere. The demand for quality child care should motivate providers to create quality facilities to attract consumers. However, there may be a variety of definitions of quality by both providers and parents. It could be an educationally based child care program or a type of child care that fosters love and nurturing.

Reaching for the Stars is a market solution developed by a bureaucratic organization that may or may not know how to effectively intervene in the market. Peters suggests that a market solution may be optimal. However, if there are real problems of implementation arising from inflexible bureaucracy, then there will not be a satisfactory outcome. Diagnosis, intervention and implementation must go hand in hand (Peters 1996).

The Reaching for the Stars program offered by the Oklahoma Department of Human Services is the best of both worlds in terms of Peters’ traditional and market models. This welfare reform program does not give anything away for free. The basic premise is that clients and providers alike must work for what they receive. Clients must work and providers must offer high quality child care to low-income families to be able to reap the rewards of co-payments and higher reimbursement rates.

The “welfare reform” goal of Reaching for the Stars program is to provide quality child care to children in an attempt to free them from the cycle of intergenerational poverty. Child care providers are given the incentives to provide higher quality care to low-income children. The children stand to receive something they would otherwise have missed out on, namely high quality,
educationally-based child care. Moreover, providers will make more money for
taking care of low-income children.

So, why are some child care providers not responsive to the Stars programs even though it would appear that participation in the program would be to their advantage? What would be the reason for the lack of participation? Would it be due to a lack of information about the Reaching for the Stars program, the complexity of the rules and regulations of OKDHS, the perception by child care providers that the effort required is not worth it, or possibly because they don’t have DHS clients, in which case the Stars program is irrelevant?

Likewise, many low-income families and DHS clients are not taking advantage of the child care subsidy program or the quality child care that is being offered in low-income facilities. Why would these low-income families not take advantage of the subsidy program and higher quality child care? Is it due to the fact that they are not aware of these services and programs offered to them or do they feel like it is not available for them in locations that are easily accessible? What are the reasons why people do not conform? A state can implement a program; but if clients or providers are not aware of it, the program will not flourish. Clients might not perceive the benefit of the program. Perhaps this is because in order to participate in the program they must participate in bureaucracy. This analysis attempts to discern the reasons why people don’t take advantage of these programs.

Subsidized child care is crafted on the market model with market foundations, but the rationale retains elements of traditional bureaucracy (Peters
The focus of this analysis is on the market model because the program is centered around incentives that are designed to persuade clients and child care providers to participate. The incentives for child care through the Stars program are (1) increased subsidy amounts paid to child care providers; (2) reduced co-payments for parents; and, (3) education for providers and their employees.

Social Exchange Theory

Social exchange theory is identified by several labels, such as cost/benefit analysis, economic exchange theory, or rational choice theory, in other disciplines. The theory suggests why individuals do or do not participate in government programs from the perspective of both the industry and the participant. However, in Sociology, the social exchange theory differs, slightly, in its approach compared to other disciplines. Social Exchange theory was largely developed by George Homans (1958), John Thibaut and Harold Kelley (1959), Peter Blau (1964a; 1964b; 1968) and Richard Emerson (1967a, 1967b, 1976), and developed further by many other theorists in subsequent studies. Emerson (1976) offers that social exchange theory is a frame of reference within which many theories--some micro and some macro--can complement one another.

Social Exchange Theory is a relationship maintenance theory, that dissects the processes through which people arrive at their decisions in relationships. It posits a matrix system of measuring outcomes, taking into account the actions of others, rewards and costs, minimizing and maximizing costs, comparing results, dependence and control, prediction, and transformations.
The dominant thrust of modern thought over the past several hundred years has progressed from what has been termed traditional to rational behavior patterns-or, put another way, from familistic to individualistic. For example, it is frequently argued that TANF families, or low-income families, have not had access to individualistic rewards preferred by modern society, or the kind of independent status, autonomy, and identity that those of higher socioeconomic status have internalized. The hope of the government is that the focus of PRWORA, being the movement of TANF clients off welfare and into jobs, will generate aspirations among TANF clients or low-income families for higher level of status and self-esteem (Scanzoni 1975,176).

Social exchange theory focuses on an individual’s perceptions of costs and rewards, as well as available alternatives. It is not an economic theory per se, although there are some similarities. For example, some costs or benefits can be economic, while others can be subtle psychological reinforcements (Scanzoni 1975). Also, the gains can be relative rather than absolute, and the burdens can lead to either satisfaction or frustration. In Scanzoni’s (1975) attempt to explain his analysis of fertility behaviors he uses a “utility model” which describes the social exchange theory. However, the “utility model” is not a theory—it is an approach. He acquires this term from Hawthorn (1970), who describes the meaning of “utility” as persons and groups seeking to maximize rewards and benefits and to minimize costs and punishments. He points out that economics is not the only or even the primary driving force behind decisions about costs and benefits. That is why a purely economic exchange theory is not
adequate. Economic decisions imply rationality. The utility model or social exchange theory, however, suggests that consideration of rewards and costs are not necessarily rational in terms of the objective criteria used by a detached outsider (Hawthorn 1970). Instead, social norms and the situations in which they operate serve to shape the definitions of rewards and costs (e.g., the range of available resources). This implies that the person or group to which this model is applied will have at least one preference. Furthermore, this would not apply to a person with no preferences, or one who is unaware of any resource constraint. Hawthorn’s approach suggests that subsidy utilization is dependent upon perceptions of available resources, rewards and costs, and can be unconscious.

Social exchange theory, described as the “utility model,” is one approach to explaining the choices clients or child care providers make in program participation. Why are low-income, single women and child care providers not taking advantage of the OKDHS DCC Stars program? This theory would predict that more options lead to more rewards for the client or child care provider. However, this prediction is based on an individual’s ability to perceive costs and rewards accurately. Do program benefits actually exceed the costs? From this perspective, people look at potential benefits or costs to determine whether to engage in certain behaviors. It is assumed that people seek to maximize their benefits and minimize their costs. However, a person’s comparison level, the threshold above which an outcome seems attractive, must be taken into account. For example, Thibaut and Kelley (1991, 1994) suggest “if your CL (comparison level) for clerical employment is an hourly wage of $8, you would
be satisfied working for $9 an hour but feel exploited if you received only $7 for your labor.” The inexact element is the perception of the reward or cost. For example, expectation is usually shaped by prior experience. This process may explain why low-income, single-parent families do not always make “rational” choices for child care.

The Reaching for the Stars Program is an educationally based program to promote high quality child care for low-income families and to provide incentives (through higher reimbursement rates) for child care providers to service low-income families. Do the benefits of this program exceed the costs, or do the costs exceed the benefits? What are the reasons why families eligible for child care subsidies do not use it? Why would child care providers choose not to do what is necessary to get higher reimbursement rates?

Some of the costs for both low-income families and child care providers are similar. Time, stigma, and perceptions are three common deterrents to participating in the subsidy system and the Stars program. Some of the costs are economic; however, much of the decision making for both the families and the child care providers is not necessarily rational.

Low-income families and child care providers alike probably believe that their decisions are economically driven and rational. However, as the utility model suggests, it is perhaps the erroneous perception of higher costs that is driving their decision-making. Low-income families do believe that co-payments may be too high for them to afford child care. Also, they may be under the perception that they make too much money to qualify for child care assistance.
Likewise, child care providers believe the costs of meeting the criteria for higher star levels would put them out of business. They do not think the returns on their investments will be higher than the investment itself. There is, in fact, an economic level to their decision-making process; but there are also social norms and situations that create preferences that are not necessarily rational.

For both low-income families and child care providers, the cost of filling out the paperwork and conforming to program rules and regulations may be perceived as far higher than the benefit of receiving the higher reimbursement rates or child care subsidies. The time that it takes for low-income families to find transportation, time in the DHS office filling out the paperwork, plus the necessity that their work hours and DHS hours of operation coincide may dampen perceptions of economic benefit. Child care providers, on the other hand, may feel that the time required to undergo training (for both teachers and directors), hire qualified teachers, keep qualified teachers, and make necessary room configurations (i.e., all the requirements for higher quality), would require more time than they are willing to invest. For those child care providers who are not taking children with DHS subsidies, is it a purely economic decision? While there is no quantifiable return on the investment regarding private pay customers, it is likely that the provider reaching a Three Star level will receive other benefits, such as the competitive edge associated with the perception of higher quality.

The market model definition of reform is the blueprint for welfare reform in the United States. As Peters’ points out, however, each model alone is inadequate to the task of comprehensively predicting behavior. The four models
together encompass a comprehensive description of effective reform; however, welfare reform only implements reform from the market model. This could be the explanation for why it isn’t more effective. This analysis offers the social exchange theory as a way to get at why people are not buying into these programs that are advantageous for them.

However, for parents, there may be some other issues to consider. There is the matter of preference. Plus, class difference may play some part in the decision of parents as to where to leave their children when they are at work, in school or in job training. Quality, as defined by DHS—where education is the primary focus—may not be the priority for low-income parents. In fact, low-income parents might have a preference for kinship care over center or formal child care. And this preference could take priority over quality as defined by DHS. In other words, these families may not want what DHS is trying to accomplish through the Stars program.

Casper and Bianchi (2002) suggest that the quality of child care is directly related to various positive outcome for children, such as the development of language and social skills. But they ask, “what is quality?”. They suggest that much research examines the structural features of high-quality child care—child/staff rations, the size of the group, the physical environment, program components such as curriculum, and the education and training of teachers or care providers—partly because these are the most easily measured and observed. But is this how parents choose where their children will stay in care while they are at work, in training or in school? When Hofferth and Chaplin
(1994) asked parents they found that, parents say their primary consideration in choosing a child care provider is quality of care. But what is the definition of quality to these parents? Even though this study shows that price and convenience are the strongest factors when deciding about the care of their children, parents downplay those characteristics and actually say quality is the most important issue. Interestingly, however, quality for parents lies more in the caregiver-child interaction rather than structural features. In fact, parents who identified family child care providers with formal training are less likely to choose that type of child care. Parents report that “they consider such caregiver qualities as warmth, nurturing, a high level of interaction, individualized attention, and the ability to make learning fun to be important, whereas they de-emphasize features such as child/staff ratio, group size, safety, and types of equipment available” (Casper and Bianchi 2002, p 190). According to this study few parents actually consider the availability of educational materials and recreational equipments as the most important factor when compared with other factors (Johansen, Leibowitz, and Waite 1996).

Hofferth and Chaplin (1994) suggest that, “parents go through a two- or three-step process in which they first determine the distance they are willing or able to travel and the amount they are willing or able to pay for care. Then, from among care providers that meet these two criteria, parents trade off aspects of quality and convenience until they find an available provider that most fulfills their other wants and needs” (p 192).
In addition, there may be class differences in when choosing the type of care for children. Lareau (2003) examines the class difference in child rearing strategies and suggests a different logic among working-class and poor families compared to middle-class families. She describes the class differences in child rearing amongst the children in these two classes. She calls the logic of the working-class and poor families “natural accomplishment of growth” which is a spontaneous approach, focusing on children’s basic needs while allowing talents to develop naturally. The lives of working-class and poor children take place near home with fewer structured activities. They have more interaction with siblings and there are clear boundaries between adults and children. These children are expected to be silently obedient in the presence of adults. At the same time, they witness their parents’ unease and restraint in their interactions with school officials and medical professionals.

On the other hand, Lareau (2003), calls the logic for middle-class families “concerted cultivation,” meaning that parents are constantly fostering and addressing children’s talents by involving them in organized activities, molding their reasoning skills and intervening on their behalf with teachers and coaches. Middle-class parents challenge their children and teach them to communicate with adults in a different manner than how working-class or poor children are taught to communicate. Their parents teach them to be inquisitive and formulate questions for doctors, for example. They are taught to shake hands and look adults in the eye and broaden their vocabulary in order to properly address an adult. Middle-class children are taught, by their parents, how to demand action
from social institutions rather than to sit back passively. These children are better prepared to achieve within social institutions like school and work. On the down-side, however, they are more stressed, less creative and they fight more with their siblings than working-class or poor children.

Lareau suggests that the social categories she describes are helpful in understanding the behavior of family members. Her description leads to the speculation that social class differences may be a major factor why low-income families who are moving into the workforce and need financial assistance are not utilizing this service that is available. For example, she would suggest that middle-class children are better prepared to achieve within social institutions like work and school and learn to demand what they want while working-class and poor children learn to accept what is and deal with what they have. This is helpful in understanding the decision-making process for these low-income families.
This research uses three sources of data—two surveys and administrative data—in analyzing the impact of the Reaching for the Stars program on low-income families, their children, child care providers, and the children they serve. The first survey, the 2001 TANF survey conducted by Oklahoma State University, provides information from parents regarding the health and well-being of their family. A variety of questions regarding their child care utilization as well as income and employment were asked (see Appendix C). OKDHS contracted with the Bureau for Social Research at Oklahoma State University to conduct telephone interviews with TANF clients. Respondents were originally contacted by mail with a pre-notification letter and offered a financial incentive ($15) for study participation. A toll free telephone number was also provided so respondents without telephones, typically a high percentage of TANF clients, could contact research staff. Several attempts, by mail and/or telephone, were made before replacing the originally sampled case or household. The random sample was obtained from the OKDHS client database.

The sample started with 2400 potential respondents; but eliminating unreachable clients reduced the sample to 1170 respondents. The sampled individuals, at the time of the sample selection, were among the OKDHS clients with open TANF cases at some time during fiscal year 2000 (i.e., Oct. 1, 1999-Sept. 30, 2000). In other words, these clients were receiving TANF at some
point during fiscal year 2000. Individual telephone interviews were conducted during April and May 2001. A total of 752 surveys were completed for a response rate of 64.3%, based on the American Association for Public Opinion Research (AAPOR) calculation method. Appendix D, a sample report by last disposition, shows the formula used and explains how cases were eliminated due to wrong telephone numbers, disconnected telephone numbers and those who were unreachable (The American Association for Public Opinion Research 2000).

Administrative data were also supplied by OKDHS to assess information that was not collected in the surveys. Matching the databases provides the ability to track respondents through time. For example, the administrative data include information on why clients leave TANF. Is it due to employment or other reasons? The survey does not directly answer this question. Therefore, the client identification number is used to match client responses with administrative data to find the reasons for leaving TANF. If a client case was open at the time the sample was drawn but was closed at the time of the interview, the reason codes are examined. There are 99 reason codes for benefit closures, suspensions or denials. The data are recoded to create a dummy variable with employment reasons coded as one (1) and all other reasons as zero (0).

The second survey conducted for OKDHS, the “Center Validation Study: Reaching for the Stars,” was contracted out to two researchers, one from Oklahoma State University and the other from the University of Oklahoma. They examined quality differences among child care centers representing the various
levels of the Reaching for the Stars program. A statewide representative sample of One Star, One Star Plus, and Two Star centers, stratified by reimbursement rate, was randomly selected from DHS licensing lists during July 2001. Centers from each of these star categories were randomly drawn in numbers representing the appropriate proportions for the two rate areas\(^5\). Due to the small numbers, stratified random selection procedures were not used to select Three Star centers. All eligible Three Star or Accredited centers were invited to participate.

A team of up to three researchers made an initial visit to the center to conduct classroom quality observations and director interviews. Teacher and director demographic questionnaires were left at the center at the completion of the first visit. A second data collector, unaware of the ratings made during the first visit, returned to the center approximately one week later to gather the completed demographic instruments and conduct a second observation in the targeted preschool classroom.

The director interview, which will be the focus of this analysis, included open-ended questions about Reaching for the Stars. Responses from 283 directors were transcribed, analyzed and used to provide descriptive detail. The information from the interviews provide data addressing questions regarding the child care industry. The following eight questions asked of child care providers are open-ended:

\(^5\) Cost of living differences in metro and rural areas. View different rates (Appendix C).
1. What is your reaction to the Stars program?
2. What has contributed to your feelings about the Stars program?
3. Why have you chosen to participate in the Stars program?
4. What kind of successes and frustrations have you had in trying to meet the requirements?
5. What do you think would make the Stars program better?
6. What reactions have you had from parents about the Stars program?
7. What type of assistance would you or your staff need in order to meet Two Star requirements?
8. What type of assistance would you or your staff need, in order to pursue accreditation?

These data answer questions regarding the child care industry. Specifically, how is the child care industry reacting to the new laws and policies (i.e., Reaching for the Stars program) and what type of quality are they offering to low-income families? This addresses the question of how the Stars program affects the availability, affordability and quality of child care for low-income single-parent families and their children.

The Research Questions

As stated in an earlier chapter, the goal of welfare reform is to break the cycle of poverty by addressing two generations—low-income single parents and their children. It is important to know how the effects of parents’ employment and self-sufficiency transform the social, emotional and educational development of their children through various approaches to child care. Several research questions are relevant. What is the employment and self-sufficiency status of low-income single mothers (or fathers, as the case may be) as they are leaving welfare? Are low-income mothers who leave TANF for employment becoming self-sufficient by utilizing child care subsidies or assistance that is available to
low-income families? If they are not utilizing the child care assistance that is available to them, then how are they making ends meet, or are they?

How do the goals of welfare reform, primarily breaking the cycle of poverty, affect the quality of child care that is available to low-income children of single-parent families? As mentioned previously, welfare reform created a stream of federal and state funding being filtered into quality initiatives for the care of low-income families. Is this strategy working? Are low-income children receiving higher quality child care as a result of the new welfare laws and policies?

Finally, what are the effects of the welfare reform goals on the child care industry? Are child care providers responding to the new initiatives, such as Reaching for the Stars? Are the lower-quality facilities improving their quality as a direct result of welfare reform laws and policies?

Answering the Research Questions

First, the respondents who left TANF due to employment are identified and compared to those who left for other reasons. The DHS identification number is matched to administrative data in order to collect information beyond that collected in the survey data. The majority of the analysis will focuses on those who left TANF due to employment. In addition, the analysis is based on the families of children who are five years old and younger.

The second step is to determine if the respondent is in need of financial assistance for child care. It is likely the respondent is having a difficult time financially; therefore, federal or state assistance with child care costs may be the
key to self-sufficiency. However, parents may not see themselves as being “financially-in-need.” Moreover, they may not know the federal definition of “financial need.” Therefore, the following question is used to get an idea of the respondents’ understanding of these issues.

The question is asked on the 2001 TANF survey in Question 21A: *In the past 12 months, have you needed some kind of child care but could not afford to pay anyone, yes or no?* On the other hand, when looking at those who left TANF for other reasons than employment we want to know if this is due to a lack of child care. Are they not employed due to difficulty finding child care? Questions 18B asks: *If you are NOT currently employed, in job training, or in school, is it because you cannot find child care, yes or no?* Question 23_1-7 asks respondents to identify the problems they are having with child care that might be affecting their job: *What problems of child care for __ have affected your current job (or the last job you had)? Has it been…* 1 Transportation to or from child care? 2 Sick child? 3 Loss, change, or disruption of regular child care? 4 Could not find care due to unusual working hours? 5 Other? 6 NO child care problems affect my job? 7 Not applicable—NEVER had a job.

Some families may not even know that financial assistance for child care is available to low-income families. The first step in obtaining this information is to identify a “low-income” group. This information was collected in the 2001 TANF survey data in the form of an income variable. There are a number of ways to define “low-income,” the federal poverty level being the most common. Typically, 185 percent of the federal poverty threshold is used to determine the
need for child care subsidies. This number can be acquired through the income variable and family size, which are provided from the questionnaire data (Appendix C). The second step is to analyze questions 21B and 21C which are stated as follows, respectively: *Do you know that child care assistance (money, help with payments) is available to low-income families who are employed, in job training, or in school, yes or no? Are you currently using any child care assistance (money, help with payments), yes or no?*

If the former TANF clients are low-income, currently working, and know that child care assistance is available, but replied in the previous question that they are *not* using the child care assistance, the pertinent question is “why not?” If the child care assistance would help them retain their employment and become self-sufficient, then why wouldn’t they take advantage of this opportunity? In questions 21D_1-8 respondents are given eight choices for why they are not using financial assistance: *Why don’t you use financial assistance to help you cover your child care costs? Is it because you _1 Are not eligible, income too high? _2 Did not apply for child care assistance? _3 Have applied, but have not heard from DHS? _4 The co-payment is too high? _5 Feel ashamed or uncomfortable receiving financial help from the government? _6 Do not want to put your child in formal licensed child care? _7 Your employment, training, or school takes place while child is in school? _8 None of the above apply?* Analysis of these responses indicates the reasoning behind non-participation.
Another goal of whether welfare reform is breaking the cycle of poverty by providing *quality* child care to low-income children of single-parent families. The fifth stage of the analysis ascertains what type of child care low-income, single-parent families are choosing. While it is true that quality can be measured in a number of ways, the literature above suggests that quality child care is most likely found in child care centers. Questions 19A and B_1-12 ask what type of child care arrangements respondents use, and where the child spends the most time while the respondents are at work, in training, or in school. The following questions focus on children five years old and younger.

Question 19A: *Please tell me which child care arrangements you use for__ while you are at work, in training, or in school (or on a regular basis).*

Question 19B: *While you are at work, in training, or in school, where does __ spend the most time? [the setting where child spends the most time—other than school] Do you use or is it…*

_1 Spouse/Significant other? _2 Child cares for self? _3 Parent not living in the home? _4 Grandparent or other adult relative? _5 In-home care by older, minor sibling? _6 Adult, non-relative caretaker? _7 Child care home? _8 Child care center? _9 Headstart? _10 Before and/or After school program? _11 Neighbor keeps an eye on child? _12 None of the above apply?

As a second approach, federal and state policies define *quality* child care. The Reaching for the Stars program, initiated by the Oklahoma Department of
Human Services, is a tiered-reimbursement program that defines quality child care using One, One Plus, Two or Three Stars. To get an understanding of the respondents’ knowledge of federal and state quality initiatives, question 22 asks: *Have you ever heard of the program, offered by the state, called “Reaching for the Stars” that designates One, Two and Three Star child care facilities, yes or no [--A ranking system that indicates quality]?* In addition, are those who are using the child care subsidies making different choices as to the type of child care they are choosing compared to those who are not utilizing the child care subsidies? In order to find out whether this is happening, it must be known what type of child care a low-income single-parent family is choosing. Are those using the child care subsidies available to them using different types of child care than low-income families who are not utilizing the child care subsidies? Additionally, overall, aside from those using the child care subsidies, what types of child care are the families in our study choosing? Questions 19A and 19B ask these questions.

Also in line with the issue of quality and type of care, are low-income, single-parent families choosing licensed child care? Survey responses indicate that parents are generally unaware of this term or the status of their child care provider. In other words, they do not know whether their child care provider is licensed or not. Therefore, Question 20A of the TANF survey cannot be fully analyzed: *If__ is in a child care center or a child care home, is this facility licensed, [yes, no, don’t know, or does not apply, child not in child care home or center].* Instead, administrative data will be utilized to determine the number of
licensed facilities. The Department of Human Services, however, does not have the ability to track unlicensed child care. Question 20B goes on to ask respondents about their views of licensed or formal child care: Why don't you use a licensed or formal child care center or child care home for __? Is it because…. _1 The child care facility you wanted was full? _2 It costs too much? _3 Problems with transportation? _4 You don't trust child care providers to care for your child? _5 None of the above? _6 The question does not apply to my situation? The answers to this question will give a general idea of respondents' opinions toward “licensed” or a formal type of child care, whatever their understanding of it may be.

Finally, the last part of the analysis studies the effects of the welfare reform goals on the child care industry. Are child care providers responding to the new initiatives such as the Reaching the Stars program? In other words, has this program given the incentives necessary for child care facilities to improve their quality? Furthermore, are low-quality facilities, who primarily serve low income families, improving their quality as a direct result of welfare reform laws and policies? Administrative and survey data are used to answer these questions. As mentioned previously, the “Center Validation Study: Reaching for the Stars”, conducted for OKDHS by Oklahoma State University and the University of Oklahoma asked questions of providers. There is demographic information about the child care facilities sampled and eight open-ended questions (listed on pg. 57).
In addition to the qualitative survey, administrative data from OKDHS are examined. A cross-section of data is analyzed to find out the number of child care facilities by Star level and the number of subsidized children in the different Star levels. First, this data will compared the number of facilities by Star level from 2001 to 2004 to see if there were an increase or a decrease in the number of facilities in the difference Star levels. Then data from 2002 and 2004 will be examined to find out if the number of subsidized children has increased or decreased by Star level. This data is examined in order to find out whether child care facilities are increasing their quality and if there are more choices of high quality child care for low-income families.
Chapter V

Results

Less than half (44%) of the respondents in this sample were TANF clients both at the time this sample was chosen and when the interviews were conducted. However, more than half of the respondents (55.7%) left TANF during that period of time. Some left due to employment and others left for many “other” reasons. Some of the “other” reasons may be due to inability to locate the client. The client may have moved to another state, or failed or refused to cooperate. This analysis focuses on those clients who left TANF due to employment, job training or because they were in school.

Child care, or the lack thereof, may be one of the reasons that clients are unable to become employed or sustain employment, job training or schooling. However, if these respondents are utilizing child care while they are at work, in job training or in school, are they getting child care assistance? Do they know that assistance exists for low-income families who are working? In this sample, some indicate their need for financial assistance and their knowledge of the availability of child care subsidies for low income families, yet still they are not using the assistance available to them. What are the reasons they do not use the benefits of financial assistance?

A sample of 752 respondents was drawn on September 29, 2000 from a population that at some point in fiscal year 2000 (October 1, 1999 to September 30, 2000) had an open TANF case. At the time of the interview in April 2001 (six months after the sample was drawn), 419 (55.7%) out of the original 752 clients
TABLE 1. Left TANF for Employment Reasons

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All who left TANF</strong></td>
<td>419</td>
<td>55.7%</td>
</tr>
<tr>
<td><strong>Left TANF for employment reasons</strong></td>
<td>191</td>
<td>25.4%</td>
</tr>
<tr>
<td><strong>Left TANF for other reasons</strong></td>
<td>228</td>
<td>30.3%</td>
</tr>
<tr>
<td><strong>Those who did not leave TANF</strong></td>
<td>333</td>
<td>44.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>752</td>
<td>100%</td>
</tr>
</tbody>
</table>

had left TANF. Table 1 shows that of those who left TANF, approximately 46 percent (n=191) of the cases were closed due to employment reasons while 54.5 percent (n=228) were closed for reasons other than employment. Of the 191 clients who left TANF due to employment reasons, approximately 19 percent do not know that child care assistance is available to low-income families who are employed, in job training or in school, while the remaining 80 percent (n=154) do know that child care assistance is available. Of 154 families who know that child care assistance is available, 47 of these families (30.5%) are using the child care assistance available to them by the state of Oklahoma. This means that approximately 70 percent of families who know about child care assistance are not using the monetary assistance that is available to them through the state of Oklahoma (See table 2). Why not? If there is child care assistance available to all families who are employed, in job training or in school, why are only 30 percent of these families, who are leaving TANF due to employment, utilizing the subsidies available to them?
Table 2. Know Assistance is Available: Using It or Not Using It

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Know assistance is available</td>
<td>154</td>
<td>80.6%</td>
</tr>
<tr>
<td>Using assistance</td>
<td>47</td>
<td>30.5%</td>
</tr>
<tr>
<td>Not using assistance</td>
<td>107</td>
<td>69.5%</td>
</tr>
<tr>
<td>Do not know assistance is available</td>
<td>37</td>
<td>19.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>191</td>
<td>100%</td>
</tr>
</tbody>
</table>

Over 21 percent (n=28) of the respondents who left TANF for employment reasons know that assistance is available, yet did not apply for it (See Table 3). Approximately 15 percent said they did not want to put their child in formal or licensed child care. Almost 12 percent said they were not eligible because their income was too high. Others said their employment, training or school takes place while their child is in school (9.4%), they feel ashamed or uncomfortable receiving financial help from the government (3.9%), have applied but not heard from DHS (3.9%), or their co-payment is too high (2.3%). Unfortunately the answers for not utilizing these services were not captured for 31.3 percent of the respondents, who said that none of the above answers applied. This still leaves some unanswered questions regarding child care subsidy utilization. Are the respondents answering in this way because they are using unlicensed or informal child care such as a grandparent?

As a result of this finding, further analysis was done on the 40 respondents who answered that “none of the answers apply” (in Table 3). It has been suggested that low income parents often prefer a relative to care for their child over any other type of child care, whether it is for convenience or due to
Table 3. Know of Assistance but Are Not Using It. Reasons.

<table>
<thead>
<tr>
<th>Reason</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>I did not apply for child care assistance</td>
<td>28</td>
<td>21.9%</td>
</tr>
<tr>
<td>I do not want to put my child in formal/licensed child care</td>
<td>20</td>
<td>15.6%</td>
</tr>
<tr>
<td>Not eligible (income too high)</td>
<td>15</td>
<td>11.7%</td>
</tr>
<tr>
<td>My employment, training or school takes place while my child is in school</td>
<td>12</td>
<td>9.4%</td>
</tr>
<tr>
<td>I feel ashamed or uncomfortable receiving financial help from the government</td>
<td>5</td>
<td>3.9%</td>
</tr>
<tr>
<td>Have applied but have not heard from DHS</td>
<td>5</td>
<td>3.9%</td>
</tr>
<tr>
<td>Co-payment is too high</td>
<td>3</td>
<td>2.3%</td>
</tr>
<tr>
<td>None of the above answers apply</td>
<td>40</td>
<td>31.3%</td>
</tr>
<tr>
<td><strong>Total</strong>*</td>
<td>128</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Respondents were asked to mark all answers that applied to their situation. Therefore, the total number of answers equals 128 instead of 107 (number of respondents).

financial concerns. But even when these families are aware that child care assistance is available, and they are in need of assistance, they are still not utilizing the assistance available to them. Therefore, it may be a matter of preference. The forty respondents had 28 children five years old and younger. Of these 28 children the primary child care provider for 50 percent was either a spouse, significant other, grandparent, or other adult relative. One child was reported to be in a before or after school program while the remaining answers were either left blank or marked that none of the answers applied. This is an interesting finding because it indicates that these low-income families may prefer a relative to care for their children over a formal child care facility.
Table 4 examines the type of child care the respondents are using by comparing the families who know that child care assistance is available and are not using this assistance with those who are using assistance. When comparing the 47 families who are using child care assistance to those 107 families who are not using child care assistance in Table 4, those who are not using child care assistance are using a grandparent (52.3%) or some other (39.3%) type of child care options (e.g., spouse/significant other, in-home care by an older, minor sibling, an adult, non-relative caretaker, in a before/after school program or some other situation) rather than the licensed child care

<table>
<thead>
<tr>
<th>Know Child Care Assistance is Available</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using Assistance</td>
<td>47</td>
<td></td>
</tr>
<tr>
<td>Licensed Child Care</td>
<td>33</td>
<td>70.2%</td>
</tr>
<tr>
<td>Grandparent</td>
<td>5</td>
<td>10.6%</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>19.1%</td>
</tr>
<tr>
<td><strong>Total Using Assistance</strong></td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Not Using Assistance</td>
<td>107</td>
<td></td>
</tr>
<tr>
<td>Licensed Child Care</td>
<td>9</td>
<td>8.4%</td>
</tr>
<tr>
<td>Grandparent</td>
<td>56</td>
<td>52.3%</td>
</tr>
<tr>
<td>Other</td>
<td>42</td>
<td>39.3%</td>
</tr>
<tr>
<td><strong>Total Not Using Assistance</strong></td>
<td>154</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
options (8.4%). One the other hand, approximately 70% of those using assistance are being cared for in a licensed child care home or center.

There are not definite answers in this analysis as to why these low income families are not using financial assistance that is offered to them by the government. Again, the findings from Table 3 show that over 30% of the families did not use financial assistance for reasons other than the seven choices that were given. Nevertheless, the findings in Table 4 could lead to some speculations. For low-income families who are not using financial assistance, a grandparent or some other type of unlicensed or informal child care could be a choice over licensed child care for no other reason than convenience or preference. Alternatively, the decision not to use child care assistance may be a rational decision based on a perceived monetary aspect. They may be using a grandparent or another type of informal child care due to the lack of money and the perception that they could not afford child care even with financial assistance. Unfortunately for those using unlicensed or informal child care, the opportunity to place their children in higher quality, more professional child care facilities is reduced.

One of the primary interests of this dissertation is child care subsidy utilization. After reviewing the above results, the need to explore further was obvious. A logit analysis was considered, due to the dichotomous dependent variable. However, if the dependent variable has only two categories and the number of responses are split relatively evenly between the two categories (say no more extreme than 25/75%), either multiple regression/ANOVA or logit
analysis are appropriate. In this situation, the results of logit analysis are usually quite close to those of multiple regression/ANOVA with a dichotomous dependent variable (Tabachnick and Fidell 1996). In this analysis the dependent variable, child care subsidy utilization, has two categories and the response is a 33/67% split. Therefore, for ease of interpretation, this analysis employs simpler measures of association. As it turns out, child care usage is associated with some interesting variables. The results show that age, race, health, and connection to social programs are correlated with child care subsidy utilization. Chi-square tests show significant positive associations with food stamp use, use of health insurance, and race. A difference of means test was used for the health score and age. Significance was found for all variables at a .10 probability of error or less.

Table 5. Correlates of Subsidy Usage

<table>
<thead>
<tr>
<th></th>
<th>Child Care Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Using</td>
</tr>
<tr>
<td>Age (Average)</td>
<td></td>
</tr>
<tr>
<td>(overall = 35.6)</td>
<td>32.2 yrs</td>
</tr>
<tr>
<td>Non-White (%)</td>
<td>61.7%</td>
</tr>
<tr>
<td>Food Stamp Use (%)</td>
<td>61.7%</td>
</tr>
<tr>
<td>Health Score (Average)</td>
<td>3.72</td>
</tr>
<tr>
<td>Health Insurance (%)</td>
<td>80.9%</td>
</tr>
</tbody>
</table>

* indicates significance at .10 or less
Table 5 is useful in exploring independent variables that correlate with the utilization of child care subsidies for low-income families. The average age of the respondents in this survey is 35.6 years old. However, younger, non-white respondents are more likely to use child care subsidies. Furthermore, those who have an affiliation with other types of government programs, such as food stamps, those who have insurance and those whose average health score is higher are more likely to used child care subsidies.

Progress of Reaching for the Stars Program: Past and Present

The next several questions are designed to examine the quality of child care children are exposed to, specifically those who are utilizing child care assistance. Some of the questions in the survey are asked of the respondents only, but some are asked separately for each child in the household. For example, if a child is in a child care center or a child care home, is this facility licensed? This would be asked for each child separately, since the answer would not necessarily be the same for all children in a family. Does the Reaching for the Stars program affect children who are in licensed child care? This sample contains 752 respondents who have 1186 children who are 0 to 12 years old. When asked if they were currently employed, in job training, or in school, 639 children had a parent who was employed and 547 children had a parent who was not employed at the time of the interview. In this sample 639 children under 13 years old were in some type of child care arrangement while the respondent was at work, in training, or in school. What is the primary child care arrangement for these children?
Approximately 30 percent (193) of the children under 13 years old are being taken care of by a family member (grandparent, adult caregiver, spouse/significant other, older minor sibling, or parent not living in the home) while the respondent is at work, in training or in school. Over 40 percent (264) of children under 13 years old are being cared for in some type of institutional facility (child care home, child care center, before/after school program or Head Start). Close to 10% (62) of the children are taken care of by an adult of no relation, a neighbor or the child takes care of him or herself. (See Table 6.)

Table 6. Primary Child Care Arrangement for Children Under 13 Years Old

<table>
<thead>
<tr>
<th>Type of Child Care</th>
<th>Number of children</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Care Center</td>
<td>172</td>
<td>27%</td>
</tr>
<tr>
<td>Grandparent or Other Adult Relative</td>
<td>112</td>
<td>18%</td>
</tr>
<tr>
<td>Child Care Home</td>
<td>70</td>
<td>11%</td>
</tr>
<tr>
<td>Spouse/Significant Other</td>
<td>49</td>
<td>8%</td>
</tr>
<tr>
<td>Adult, Non-Relative Caretaker</td>
<td>39</td>
<td>6%</td>
</tr>
<tr>
<td>In-Home care by Older, Minor Sibling</td>
<td>29</td>
<td>5%</td>
</tr>
<tr>
<td>Before/After School Program</td>
<td>15</td>
<td>2%</td>
</tr>
<tr>
<td>Neighbor</td>
<td>12</td>
<td>2%</td>
</tr>
<tr>
<td>Child Cares for Self</td>
<td>11</td>
<td>2%</td>
</tr>
<tr>
<td>Head Start</td>
<td>7</td>
<td>1%</td>
</tr>
<tr>
<td>Parent not living in the home</td>
<td>3</td>
<td>0.5%</td>
</tr>
<tr>
<td>None of the above applies</td>
<td>120</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>639</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
The respondents identified 242 children under 13 years old in a licensed child care home (70) or center (172) as their primary child care provider. Table 7 shows how many of those are using child care assistance.

**Table 7. Under 13 Years Old, in a Licensed Home or Center, Using Child Care Assistance?**

<table>
<thead>
<tr>
<th>Using Child Care Assistance?</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>186</td>
<td>77%</td>
</tr>
<tr>
<td>No</td>
<td>26</td>
<td>11%</td>
</tr>
<tr>
<td>Did not know that child care assistance was available</td>
<td>30</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>242</td>
<td>100%</td>
</tr>
</tbody>
</table>

As Table 7 shows a large portion (77%) of the respondents who had a child under 13 years old in a licensed home or child care center used child care assistance. However, many of the respondents did not. Approximately 12% of the respondents who had a child under 13 years old in a licensed home or child care center did not know that child care assistance was available. But close to 11% (n=26) of these respondents who are using a licensed child care home or center as their primary child care provider are not using child care assistance. Why would they forego assistance when they know it is available?

Over 60 percent of the reasons given indicate that either the respondent did not apply for child care assistance (32%) or the child was in school while the respondent was on the job, in training or in school (29%). Twenty-six percent of the respondents with a child under 13 years old said they were not eligible for child care assistance because their income was too high (See Table 8).
Table 8. Why Child Care Assistance is Not Being Used?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not apply for child care assistance</td>
<td>10</td>
<td>32%</td>
</tr>
<tr>
<td>My employment, training or school takes place while my child is in school</td>
<td>9</td>
<td>29%</td>
</tr>
<tr>
<td>Not Eligible (income too high)</td>
<td>8</td>
<td>26%</td>
</tr>
<tr>
<td>Co-payment is too high</td>
<td>2</td>
<td>7%</td>
</tr>
<tr>
<td>Feel ashamed/uncomfortable receiving financial help from the government</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>None of the above answers apply</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>31</td>
<td>100%</td>
</tr>
</tbody>
</table>

*The question asked them to answer all that applied thus the total number of responses being 31.

Primarily, the reasons why the respondents were not utilizing the assistance is clear. However, what does the 32 percent who did not apply imply? Why didn’t they apply? Further analysis is needed in this area. But what about the low-income families who are using child care. What kind of quality are they receiving?

Child care quality as defined by the Division of Child Care is through the Reaching for the Stars quality definition of Stars. When asked, 17.3 percent (n=130) of the total population (n=752) have heard of the Stars program. However, of those who left TANF for employment (n=191), only 19.4 percent (n=37) have heard of the Stars program. How many low-income children are in quality child care? This section examines utilization in One, One Plus, Two and Three Star child care facilities (see Table 9).
<table>
<thead>
<tr>
<th>Star Rating of Child Care Facility</th>
<th>Number of Children</th>
<th>Percent of Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Star</td>
<td>24</td>
<td>57%</td>
</tr>
<tr>
<td>One Star Plus</td>
<td>9</td>
<td>21%</td>
</tr>
<tr>
<td>Two Star</td>
<td>7</td>
<td>17%</td>
</tr>
<tr>
<td>Three Star</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td>100%</td>
</tr>
</tbody>
</table>

Notice the total number of children in child care centers and child care homes in the Table 6 equals 242. Only 42 out of the 242 children could be identified through DHS administrative data to assess the star ratings for many of the reasons that follow (see Table 9). Unfortunately, the respondents were not asked the star rating of their child care facility at the time of the interview. Therefore the DHS ID numbers were matched to the DHS administrative database to identify the star rating. However, if the respondent did not have a current or former contract (child care subsidy) with DHS, it was not possible to find out what child care facility the child was in, thus making it impossible to assess the star level of those who were not utilizing child care assistance. Moreover, the contract needed to be current in April 2001 when the interview was being conducted. The time frame had to be narrowed down to that specific window to match the respondents' information. For example, on the survey the respondent was asked to identify the primary child care provider of the child. This could have been a different situation the month previous to the survey.
However, out of the 42 case numbers that had contracts with DHS, 24 (57%) were in a One Star, 9 (21%) in a One Star Plus, 7 (17%) in a Two Star, and 2 (5%) in a Three Star child care facilities (see Table 9).

The data from the next two tables (Tables 10 and 11) come from OKDHS administrative data to examine the overall number of child care facilities and the number of children who are using the child care subsidies offered by the state of Oklahoma. This reflects the universe of (1) children on child care subsidies and (2) child care providers in April of 2001 compared to April of 2004. The Reaching for the Stars program had two goals. One was to have the all child care facilities obtain higher quality. The second goal was for more children from low income families to be exposed to high quality child care. Have the number of child care facilities increased since 2001? Have the number of low-income children exposed to higher quality child care increased over time? Has this push for quality reached both facets of the equation, children and child care providers? The next two tables examine these questions.

Table 10 examines the number of child care facilities by star level, from April 2001 to April 2004. Consistent with the Reaching for the Stars program agenda of moving facilities out of One Star status and into higher quality (higher Stars), there was a 25 percent decrease in One Star child care facilities from 2001 to 2004 and a 155 percent increase in Two Star facilities. Even though the number of Three Star facilities is much smaller, the increase was more than double. As for facilities being rated with higher quality, the results are positive and the trend is upward. It appears that One Star child care facilities are moving
Table 10. Number of Facilities in Stars Comparing April 2001 to April 2004

<table>
<thead>
<tr>
<th>Star Level</th>
<th>April 2001*</th>
<th>April 2004</th>
<th>Compare 2001-2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
</tr>
<tr>
<td>One Star</td>
<td>4625</td>
<td>78%</td>
<td>3476</td>
</tr>
<tr>
<td>One Plus</td>
<td>669</td>
<td>11%</td>
<td>1105</td>
</tr>
<tr>
<td>Two Star</td>
<td>609</td>
<td>10%</td>
<td>1556</td>
</tr>
<tr>
<td>Three Star</td>
<td>61</td>
<td>1%</td>
<td>134</td>
</tr>
<tr>
<td>Total Number of Child Care Facilities</td>
<td>5964</td>
<td>100%</td>
<td>6271</td>
</tr>
</tbody>
</table>

*The year 2001 was chosen due to availability of data. This type of data was not being collected in prior years.

out of One Star and are being evenly distributed among One Plus and Two Star statuses. However, the loss in One Star facilities could possibly be due to One Star facilities going out of business, with the increase in Two and Three Star facilities being higher rated facilities going into business. It is actually impossible to tell from Table 10. However, examining the number of children receiving subsidies across star levels reveals the impact of quality on low income families and their children (See Table 11).

The information in Table 11 is a cross-section analysis, taken at two points in time. This table examines the overall quality of child care by examining the trend in star levels for those children using child care assistance. It is an industry-wide examination of quality of child care, rather than individual assessments of each child care facility. The Reaching for the Stars program was
Table 11. Number of Children Using Assistance by Stars, April 2002 to April 2004

<table>
<thead>
<tr>
<th>Star Level</th>
<th>April 2002</th>
<th>April 2004</th>
<th>Compare 2002-2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
</tr>
<tr>
<td>One Star</td>
<td>23,215</td>
<td>48%</td>
<td>6,793</td>
</tr>
<tr>
<td>One Plus</td>
<td>9034</td>
<td>19%</td>
<td>10,244</td>
</tr>
<tr>
<td>Two Star</td>
<td>13,401</td>
<td>28%</td>
<td>25,318</td>
</tr>
<tr>
<td>Three Star</td>
<td>2,527</td>
<td>5%</td>
<td>4,852</td>
</tr>
<tr>
<td>Total Number of Children</td>
<td>48,177</td>
<td>100%</td>
<td>47,207</td>
</tr>
</tbody>
</table>

* The year 2002 was chosen due to availability of data. This type of data was not being collected in prior years.

created with the intention of placing children from low-income families into high-quality child care as a step toward breaking the cycle of intergenerational poverty. Those who designed this program believed they would be one step closer to the goal with a reduction of low-income children in One Star facilities and an increase in One Plus, Two and Three Star facilities. This occurred between April 2002 and April 2004. Overall, the number of children receiving child care subsidies (assistance) decreased by 2 percent. There was a 71 percent decrease in the number of children using child care assistance in One Star centers during this time frame. Furthermore, there was an increase in the number of children in the One Plus, Two and Three Star facilities. Specifically, the number of children using child care assistance and who were in One Star facilities went from 48 percent in April 2002 down to 14 percent in April 2004. The proportion of these children in Two Star facilities went up from 28 percent to 54 percent. Furthermore, the number of children in Two and Three Star facilities has increased by 90 percent. This would lead us to believe that more children
from low-income families are, in fact, receiving higher quality child care through the Reaching for the Stars program.

In December 2004 there were 6,045 child care facilities (1,858 centers) with 142,780 licensed child care slots (107,908 slots for centers only). Currently, there are 4,276 child care facilities with a DHS contract (1,256 centers) and 103,714 slots (77,741 slots for centers only). Interestingly, out of the total child care facilities 44 percent are One Plus or higher. Sixty-two percent of the child care slots are in One Plus or higher facilities. Ninety-six percent of centers are a One Star Plus or higher star level. These numbers reveal that child care centers are larger, with more slots, and that child care centers could be improving their star levels at a higher rate or faster than child care homes. However, it is impossible to tell from these data whether the patterns we see are due to centers improving their status over time or due to high quality centers going into business and low quality centers going out of business. Interviews with child care center directors and focus groups are designed to address this issue.

Thus far, the results have examined clients’ involvement in and knowledge of the Reaching for Stars program and the child care subsidy program. Of those who left TANF for employment, 80 percent know that child care assistance is available, and 30 percent of this subgroup are using it. Unfortunately, almost 70 percent are not using the assistance available to them and close to 60 percent of them are not using the child care assistance because they did not apply, didn’t want to put their child in formal or licensed care, were not eligible (income too high) or because the child was in school while the
respondent was at her job, in training or in school. Another important piece of information regarding the Reaching for the Stars program is that 83 percent of the respondents in the sample had not heard of it. Also, 80 percent of the respondents who left TANF due to employment had not heard of the Reaching for the Stars program. It appears that as of 2001, the vast majority of clients were unaware of the Reaching for the Stars program. Nevertheless, many who are aware of child care assistance are using it. However, if we look at more recent administrative data, specifically the number of facilities and the number of children using assistance by Star level, it is clear that utilization is increasing significantly.

Thus far I have evaluated the program from the clients’ perspective. The next important aspect to examine in the evaluation of the Reaching for the Stars program is the perspective of child care providers. What are child care providers’ reactions to the Reaching for the Stars program? What kind of successes and frustrations have they had in trying to meet the requirements of the program? These among other questions are explored in the next section.

*Attitudes of Child Care Providers Toward the Reaching for the Stars Program*

A validation study of the “Reaching for the Stars” program was conducted in 1999, 2001, and 2002 by the Early Childhood Collaborative of Oklahoma, a University of Oklahoma and Oklahoma State University partnership. The most current study findings indicate that the quality of child care has significantly improved since the beginning of the “Reaching for the Stars” program. More children receiving subsidized care are enrolled in high quality programs, and the
quality of child care has improved statewide. Problem areas identified by child care directors included their difficulty in finding and retaining qualified staff. Availability of approved staff training in rural areas has been especially difficult, and directors asked that more training opportunities be made available for staff.

Eight open-ended questions were asked of center directors to find out about perceptions of the Reaching for the Stars program from the child care providers’ perspective. The questions incorporate the directors’ reactions and feelings concerning the Stars program. They were encouraged to discuss the successes and frustrations they have had in trying to meet the requirements and what, in their opinion, would make the Stars program better. Finally, they were asked to discuss the reactions they have witnessed from parents about the Stars program.

The first four questions ask the child care center directors about their reactions, feelings, successes and frustrations in meeting participation requirements in the Reaching for the Stars program. A total of 707 comments, out of the 341 interviews with child care center directors, were made in response to these four questions. There were positive, negative and neutral comments. Approximately 73 percent of the responses were positive, 19 percent negative and 8 percent neutral.

The positive comments, from director interviews for the Center Validation Study conducted by the University of Oklahoma and Oklahoma State University, generally suggest that since the Reaching for the Stars program started there is an overall improvement in child care quality. The directors suggest that the
program has many benefits, including training and resources that allow centers to provide more incentives and encourage self-improvement of the staff. Most of the positive comments suggested that “quality was improved, the program is a good motivator, they make more money, the program encourages staff training, and the education requirement really helps improve the ability of teachers”. They suggest that “the program benefits everyone”, including teachers, children and parents. The directors also suggested that child care centers participate because they “want to be the best.” The program improves everything including self-esteem. It gives a feeling of accomplishment. The majority of the responses indicate that Reaching for the Stars is “overall a good program” and a program that makes things better for the child care industry.

However, there were negative comments as well. The most commonly occurring complaints are that directors are unable to “find and keep qualified staff”, they “need more time and options for training and education requirements”, and “meeting the requirements for the Stars program takes too much time and money”. One big problem for the Stars program, as far as getting all facilities involved in the quality initiative, are those facilities that do not take DHS children. The directors commented that if they do not accept DHS subsidies then there is no financial incentive to participate. There is not a policy in place that requires higher payments from private pay customers for higher Stars.

Again, some of the main concerns from these first four questions regarding the directors’ reactions to the Stars program include money, training,
education, time and a lack of information. Some suggestions include, “substitutes” while staff are in class or training and the need for a “mentoring program”.

The last four questions asked child care center directors what they think would make the Stars program better, their perceptions of reactions from parents, and what they would need to meet Two Star requirements or pursue accreditation. The question regarding parents’ reactions solicited somewhat different information compared to the other three questions. There were 205 comments from this question and over half (52%) of the comments suggested that they have seen excitement from parents toward the Stars program. They said parents have said they “see a difference in centers”, parents “have more confidence in centers and leaving their children there”, and they “appreciate quality and like the learning environment”. They said that parents are very supportive of the program. Approximately 32 percent of the comments from directors suggested that parents do not know what the program is or implied that parents do not ask. Finally, 16 percent of the comments show parents having an interest but do not indicate a negative or positive attitude toward the program.

Three of the last four questions ask about improvements that would make the Stars program better, and what directors need in order to meet Two Star requirements or accreditation. There were 376 comments for these three questions. Sixty-five percent of the comments were in the area of support or money. The directors said they need “more consultation, money, information and
certified teachers”. They also said that it would be helpful to have training manuals.

Approximately 31 percent of the responses suggested that training and education is a problem, especially the need for more training/education options, better guidelines, and more time to meet the requirements. Close to 5 percent of the comments were negative, citing too much paperwork, or that the program is not necessary.

In sum, regarding the eight open-ended questions asked between October 2001 and May 2002, most of the comments were positive (73%) regarding the Reaching for the Stars program. In the open-ended questions directors said that it was a “good program that is beneficial to children, parents and child care providers and that it improved the overall quality of child care”. The directors’ comments that were negative (19%) implied the “need for more money, better training/education options, the need for more time to fulfill the requirements, and better communication from the entities in charge of implementing the requirements”. It would be worthwhile to investigate what the center directors think about the Stars program now.

Focus groups of child care center directors were conducted on February 10 and 11, 2005. There were representatives from approximately 35 centers in the Tulsa metropolitan area and 20 centers in the Oklahoma City metropolitan areas. The sample was not a scientific random selection. Instead, all caseworkers in the state of Oklahoma were asked to submit the names of child care providers who they thought were articulate and willing to give an accurate
portrayal of the opinions toward the Stars program for their local area. The Division of Child Care sent out requests to 35 to 40 providers for each metropolitan area, requesting their participation.

Many of the concerns raised were similar to those expressed three years previously, but some of the concerns had changed in their focus. For example, training and education have become more available. In 2001 it was much more of an issue. The administrators of the program listened to the concerns surrounding training and education and made efforts to reduce this concern. One of the current problems is that directors are training and educating their staff and, once the workers obtain higher degrees and training, they leave for better opportunities. This is a two-pronged problem. One aspect is that directors are investing money and time into the staff and then losing them. The second problem is that directors are still unable to pay staff enough money to keep them. Also, there is still no motivation to get higher Stars if a facility is not taking DHS children. One of the major concerns of the center directors/owners is the miscommunication with DHS and the contracting agencies that are involved in the Stars program (DHS licensing representatives, DHS Stars outreach specialists, CECPD (training coordinators), and education facilities). CECPD (Center for Early Childhood Professional Development) is a centralized statewide system that delivers many types of training to Oklahoma early childhood educators, manages the early care and education professional development ladder and the Oklahoma director’s credential system, and

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concludes environment rating services for Two and Three Star child care facilities.

Many of the directors/owners agree that the standards need to be clarified. Others said there is “mass confusion” in communication, while others show concern that licensing requirements and Stars requirements are different. They said they talked to very few people who were able to give them “straight” answers. They found themselves going in circles trying to meet the requirements, while at the same time worrying that they were going to lose a star simply because they didn’t know exactly what was required of them and by whom. One frustrating issue was that they did not believe the licensing staff knew what was required of them concerning the Stars program. Many felt that the licensing staff and Stars staff were two separate entities.

Many center directors/owners suggested having a database where there is a registry to look for teachers and jobs and a way to provide better coordination with all entities involved. Also it was suggested that having a mentoring program would improve the problems associated with communication. Issues that were problematic and continue to be problematic are keeping up with the paperwork and the frequent changes in the program.

*Have Parents and Providers Been Made Aware of the Stars Program?*

The Reaching for the Stars program was initiated in 1998. The respondents for the survey had an open TANF case with DHS in 2000, only two years after the inception of the Stars program. This is only a short period of time to get this program recognized and utilized by both the clients and the child care
providers. It is a short time for either of these groups to understand or recognize
the costs and benefits to them. The survey results showed that only 30 percent
of the respondents who knew that child care assistance was available were
using the subsidies that were available to them. Furthermore, approximately 17
to 19 percent of the respondents, regardless of whether they had left TANF or
still had an open TANF case, had heard of the Stars program. This is an
incredibly small number. However, if we were to conduct the survey again in
2005, what would the results show? It is assumed that the number would rise
significantly due to the promotion of the Stars program by DHS.

Numerous efforts have been made by the Division of Child Care to spread
the word and encourage participation in the Stars program by both clients and
child care providers. A Child Care Aware campaign began in 1999 and ran until
the end of June 2000, but this campaign was not specifically related to the Stars
program. The Public Awareness Campaign, specifically targeting the Stars
program, began in July 2000 and continued until the State of Oklahoma (as well
as the nation) experienced a severe budget crisis as the promotion contracts
ended in August 2003, at which time the intentional publicity campaigning began
to decrease significantly. The public awareness campaign included television and
radio public service announcements, posters and brochures. Billboards displaying
the Star message were, and still are highly visible in heavy traffic areas and there
are articles and advertising placed in newspapers. Child care programs are given
certificates, decals and pins for teachers. On average, over 8000 people visit the
Child Care Locator website each month, which displays programs’ Star status\textsuperscript{6}. The resource and referral programs have also reported that a significant number of parents call their offices to request programs with higher star status. However, at this point, the Stars program began to promote itself with child care providers, who began putting up their own banners proudly announcing to consumers their Star levels. As the Division of Child Care had hoped, consumers started looking for child care facilities with higher Star levels. It is becoming a desired commodity. This is apparently due to the waiting lists for Three Star facilities, as well as the number of children who are moving out of One Star facilities and the overall decreasing number of One Star facilities (Tables 9 and 10).

Educational television satellite broadcasts were initially used to increase understanding of the criteria, the process and the benefits of the program. Staff of Stars programs have been recognized at state early childhood conferences and receive gold star pins. Resource books containing information on qualifying for Star status are available. Licensing staff have been trained to encourage providers’ participation and to provide technical assistance. In April 2002, Five Stars Outreach Specialists were added. One of their main responsibilities is to promote the Stars program. Their contact information is provided on the DHS website as well as included in star information packets sent to the provider.

In addition, support systems were created to encourage participation of child care providers and to help them financially with the demands of more training and education. The T.E.A.C.H. (Teacher Education and Compensation

\textsuperscript{6} www.okdhs.org/childcarefind
Helps) scholarship program helps teachers pay for tuition, books, travel and substitute costs to attend school and also provides a bonus for successful completion.

R.E.W.A.R.D (Rewarding Education with Wages and Respect for Dedication) is a salary supplement for child care employees who have worked in one facility for at least six months and earned a credential or college degree. Two year colleges make child development coursework more available with counseling and support provided by Early Childhood Scholars Coordinators. E.C.E.R.S. (Early Childhood Environment Rating Scale) and other related scales are used by trained evaluators to provide a free evaluation of the two and three star programs. Two and Three Star centers receive twice as many conference vouchers\(^7\) as One Star programs. One Star Plus, Two, and Three star facilities receive extra bonus points when applying for a child care accreditation grant. Finally, the Accreditation Support Project provides financial support and mentoring through the Center for Early Childhood Professional Development to assist programs working toward accreditation\(^8\).

A final question involves the effects of the Stars program on child care providers in very high poverty areas. Sociologically, there is a very different culture in these areas. A study was conducted by OKDHS DCC, Stars program in 2003. Facilities were chosen by their rates of subsidy utilization (no less than 90% of the children utilizing subsidies), capacity of facility (no smaller than a

\(^7\) Conference vouchers are provided by DHS for child care providers to attend conferences, free of charge, in order to meet training requirements.

\(^8\)
capacity of 100 children) and Star level (One Star facilities only). In other words, 117 very low income, low quality, large child care centers across the state were chosen to participate. The DCC Stars program administrators wanted to know why these high subsidy centers, which would benefit from the higher reimbursement rates offered by the Stars program, were staying at a One Star level and not maximizing their opportunities. A committee of three DCC State office employees (a researcher, a financial expert and the Stars program director) and the Stars Outreach Specialists worked intensely with these facilities to help them understand the Stars program and attain the higher star levels. By the end of the project only 21 facilities were still at a One Star level, and this was primarily due to non-compliance issues that put them in a probationary status (unable to apply for higher stars for a limited time). Through the interviews and intense conversations it was found that many of these directors’ and owners’ focus was coming from a very different cultural perspective. These directors and owners were concerned with the safety of the children in their care more than their education. The home environment of many of these children was dangerous and unsupervised. The directors’ and owners’ primary concern was safety. They indicated that they did not have a desire to become more educated themselves. Furthermore, some indicated being skeptical of education programs. Two owners mentioned that they had employees who were concerned about the potential repercussions at home. They feared the reactions of their spouses if they were to show an interest in education. Some had major

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8 Much of this information was obtained at www.okdhs.org/childcare/FAQ/StarsQA.pdf
transportation issues, and some just had no desire. These issues, however, are beyond the scope of this analysis.
Chapter VI
Conclusions, Implications and Recommendations

In 1996 welfare reform began. The goal was employment and self-sufficiency. The federal government wanted to change the old view of welfare, where poor families felt like government assistance was an entitlement, to a system in which all families were able to take care of themselves and their children through employment. However, there were many barriers to this goal being achieved. One of the major barriers and the focus of this dissertation is child care. Through the TANF block grant and the CCDF, all states were given federal money and the authority to develop programs to alleviate these barriers. Oklahoma’s solution, to address the barriers to employment through child care, was Reaching for the Stars.

The Reaching for the Stars program was a system designed to address consumers or low-income families, but needs a supply or product which would be quality child care providers. The goal of the program was to provide low-income children the same access to quality child care as all other children of working parents. The Stars program is a tiered reimbursement system offering more money to child care providers who take state subsidized children based on the quality of child care they provide. The higher quality the more money providers were allocated by the state. The hope for the Stars program was that this would increase the number of facilities with higher quality child care, giving low-income families more choices.
So the question at hand is, *Did it work?* Is welfare reform actually making families more self-sufficient through employment as a result of the programs that were developed? Peters’ theory addresses the *big picture* of reform—Was welfare reform successful in eliminating child care barriers to successful employment? On one level this study says, yes. Overall, (1) there are more quality facilities and (2) there are more state subsidized children in quality facilities. The results of this study show that the number of facilities with higher Stars increased dramatically from 2001 to 2004. The number of Two Star facilities increased by 156% and 120% for Three Star facilities. In addition, the overall number of children, using child care subsidies, in One Plus, Two and Three Star facilities increased. The percentages for all Star levels, with the exception of One Star, increased substantially, for subsidized children in Two Star facilities it increased by 89%. The numbers appear incredible and would indicate that welfare reform is indeed successful.

In addition, the results of the qualitative analysis show that the providers are buying into the program. Prior research and this study show the problems associated initially with policy and practice but some of those problems have been worked out over time. For example, providers are expected to receive payments from two sources, DHS and co-payments from parents. Receiving co-payments from poor, struggling parents is problematic, always has been and potentially always will be. Now there is the added burden of collecting payments from DHS. Along with the new Stars program there were new rules and regulations. There are issues such as non-payment from DHS for sick days or
part-day children. Providers receive payment from private pay customers for sick
days. This creates some financial problems for providers. Also, the tedious and
time-consuming paperwork, the lack of classes offered for training (that is
required to receive more quality, or higher Stars) and not having the time to
attend the training required were all problems identified from the research, focus
groups and director interviews. However, the interviews and the focus groups
show that many of these problems have been alleviated. The Division of Child
Care has listened to their concerns and tried to address the barrier for child care
providers to becoming higher quality. Overall 73 percent of the child care center
directors were positive about the Stars program.

   Peters’ market model is a business model and Reaching for the Stars fits
that business model. The supply and demand, both being quality child care,
seems to be met. However, there are three other parts to Peters’ theory. Is the
market model all that is needed to make reform successful? Peters would argue
that this model alone would not be enough to make successful reform. Also, the
remainder of the results may leave questions about the success of this reform
effort.

   At a more individual level of analysis the results are not so good. In fact,
the results raise many questions. Of those clients who left TANF for employment
and know that child care assistance is available, only 30.5 percent are using this
assistance. When asked why they are not using the assistance, 21.9 percent did
not apply for assistance, 15.6 percent did not want to put their child in formal or
licensed child care, and 11.7 percent said their income was too high. Others
(19.5%) said their child was in school while the client was working or in training, feel ashamed or uncomfortable receiving financial help, have applied but have not heard back from DHS, or their co-payment is too high. However, the interesting result, and the one that raises a number of questions, is that 31.3 percent said that none of the answers given apply to their situation. So, what is the reason they are not taking advantage of the child care assistance that is available to them?

Social Exchange theory is an individual-level analysis that gives us a tool to explore the possible reasons why such a large number low-income families are not taking advantage of the child care subsidy program. Do the costs outweigh the benefits? What are the costs and benefits to low-income families regarding utilization of child care subsidies? Finding out that none of the reasons listed applied to 31.3% of the families who were not utilizing this program led to the next question. Where are these children when the parents are at work? Fifty percent of these children were either with a spouse, significant other, grandparent or adult relative while their parent was at work, in school or in training. The other half either did not answer the question or said the child was in a child care facility, before or after school program, with a neighbor or non-relative, or the child cared for him or herself.

Why would a low-income, single parent who is required to work outside the home and has government assistance available to her not utilize it? Perhaps she would prefer a family member care for her child over putting her child in an institutionalized setting. Maybe having her child in an institutionalized setting is a
bigger cost, in her perception, than she is willing to take. An educationally based
close care facility may not be the goal for some parents. Parents may be looking
for a nurturing and loving environment for their child. There are some possible
cultural differences that may affect the choice of child care a parent makes for
their child based on these issues rather than the quality that has been defined by
Reaching for the Stars.

*Back to the Beginning*

Is welfare reform actually working? This is the “big” question. This is the
question that Peters’ theory addresses. What are the performance outcomes to
determine whether it is working or not? If it is employment and self-sufficiency
maybe it is working. According to Peters’ market or business model, the
Reaching for the Stars program is a remedy to the barrier of child care. It is a
remedy to the problem for child care providers. It fits into the business or market
model of society. It is a conservative approach to a social problem designed by
conservative business people who were thinking about business and the
economy. However, in light of social exchange theory and the results of this
dissertation, maybe the “big” question needs to be revised. *Is welfare reform
creating a better society, better children and better parents?* Maybe the
performance indicators need to be revised as well. Should the focus really be on
work, employment and self-sufficiency? Is this really the goal of society? What is
happening to the children? Does this push for employment and self-sufficiency
have a missing link? Is the business approach good for children? Are the
children really better off in an institutionalized setting? The research indicates
that quality child care centers provide more for children than other child care arrangements. Children are developmentally and cognitively more advanced and better ready to make the transition to school than children who have not been in a quality center. However, other research shows that low-income children are more likely to be with a relative or family member and it indicates that low-income children are missing out developmentally. But are they really missing out? What is quality? Does quality replace the love and nurturing that only parents can truly give their child? Is education better than the love and nurturing we get from our parents? The government is pushing low-income families into work and their children into formal child care settings. Is this the real intention of welfare reform? Did anyone really think about the children when they were devising a plan for welfare? Did welfare reform really work? In my opinion, the direction of the goal needs to be changed and further researched.

This study indicates that there is a gap in the amount of low-income families who need child care assistance and those who are actually utilizing the assistance available. Again it raises the question of “why?”. Why are only 30 percent of those who really need this financial help utilizing it? Based on the results of this study and prior research it appears that the definition of quality is where the problem may rise. According to DHS, quality child care is primarily based on the educational criteria. However, Hofferth and Chaplin (1994) study shows that cost and convenience are the two primary considerations of parents in deciding about the type of care for their children. Although when parents are asked they say “quality” is the most important factor for determining the type of
care. But quality for parents is a much different definition than for DHS, DCC. For the parents in Hofferth and Chaplin’s (1994) study “quality” is defined as warmth, nurturing, a high level of interaction, individualized attention and the ability to make learning fun. And they say that quality is the most important factor however, in their decision-making it switches back and forth between their definition of quality, cost and convenience.

**Policy Implications**

It is clear from this study and previous literature that a large number of families who need child care assistance are not using it (70%) and it appears the reason, in large part, is a matter of preference. The definition of quality is clearly different for those who make the policies, DHS, and the parents, who may focus on love and nurturing to guide their decisions. Low-income parents tend to be utilizing grandparents, spouses, significant others or other adult relatives to care for their children. Therefore, DHS DCC needs to acknowledge this gap and support the utilization of kinship care. One way to possibly reduce this problem is for DHS to embrace and accept both definitions of quality. The research shows that educationally based child care or quality as defined by DHS enhances the cognitive development of children. Therefore, I suggest that DHS continue to encourage low-income families to utilize the Stars program to enhance their children’s educational development. However, DHS also needs to recognize the importance of parents’ definition of quality (warmth, nurturing, a high level of interaction, individualized attention and the ability to make learning fun) and pay for the care of children who are in both environments. This could be
possible if DHS were to be more flexible in their part-time payments to providers. This policy needs to be financially appealing and beneficial for both providers as well as families.

Limitations

Two limitations have been identified within this research. First, when asking the reasons why low-income parents did not utilize the child care assistance available to them, the answer categories were problematic. There should have been an open-ended part to the answer “none of the above answers apply” so it would have been possible to understand better and more thoroughly the “big” question: why low-income families do or do not take advantage of a program that would benefit them financially. Second, the analysis might be more beneficial and significant if the level of analysis were more sophisticated where there was further investigation of the predictor variables.

Further Studies

There are two suggestions for further studies. One would be to continue with this study and do a comparison study. I would like to compare the same questions that were asked in 2000 to the answers in 2005 to see if utilization has increased or decreased over time. The second suggestion is to change the focus to examine the effects of institutionalized child care compared to parental care. This would be useful in the understanding of decision-making for low-income families.

Further studies need to be done to see the effects of the program now. I would conduct an updated study to compare the results from 2000 to now to see
how Reaching for the Stars has developed in the five years since the original data were collected. What have been the effects of the Public Awareness Campaign that occurred after the data for this study were obtained? Some evidence shows that the program is spreading and that the benefits outweigh the costs in many instances for both the clients and the child care providers. It would be interesting to see in 2005 what percentage of the population is using child care assistance. It is assumed that it would be significantly higher than 30 percent, especially since the overall number of children in One Star Plus, Two Star and Three Star child care facilities have increased so dramatically (13%, 89%, and 92%, respectively).

The second suggestion is aimed at the Public Awareness Campaign developed by the Reaching for the Stars program. The survey for this study asked the respondents if they had heard about the Reaching for the Stars Program. At that point, in 2000, only 17 percent of the respondents had heard of the Stars program. It would be interesting to find out how that percentage has increased after the campaign to raise awareness of the Stars program to see if it was effective.

The final suggestion is to change the focus of this dissertation slightly to examine the effects of formal child care compared to parental care. It appears that past research on child care centers only examines the educational or quality component of child care for children. I would change the focus from employment and self-sufficiency to quality of life. *Is welfare reform creating a better society, better children and better parents?*
Reference List


Bureau of the Census 2000


Appendix A

Definitions
DEFINITIONS

"Child Care Facility" means any public or private residential facility, child placing agency, foster family home, group home, child care center, part-day child care program, family child care home or large family child care home providing either full-time or part-time care for children away from their own homes.

"Child Care Center" means a facility that provides care and supervision for children and that operates for more than 30 hours per week. Facilities not required to be licensed are programs operated during typical school hours by a public school or by a private school that offers elementary education in grades kindergarten through third grade; summer youth camps for children at least five years of age that are accredited by the American Camping Association or other national standard setting agency or church camp accreditation program; programs in which children attend on a drop-in-basis and parents are on the premises and readily accessible; and other programs not designed or intended for child care purposes. However, exempt facilities may be licensed upon their request.

"Family Child Care Home" means a family home where care and supervision are provided for seven or fewer children for part of the 24-hour day. Care not required to be licensed includes care provided in the child’s home or by relatives and informal arrangements which parents make with neighbors, friends, or others for the occasional care of their children.

"Large Family Child Care Home" means a residential family home which provides care and supervision for eight to twelve children for part of the twenty-four-hour day.

"Part Day Children’s Program" means a facility that provides care and supervision for children and that operates for more than 15 and up to 30 hours per week. Facilities not required to be licensed are nursery schools and kindergartens or other facilities whose purpose is primarily educational, recreational or medical and that operate for 15 or fewer hours per week.

"School-age Program" means a program that operates more than 15 hours per week in which care and supervision are provided for school-age children, such as before-school and after-school programs, extended day programs, day camps, summer camps and summer park programs.

"Drop-in Program" means a child care program that provides care for children on a drop-in basis where no child is in attendance for more than six hours a day for a maximum of 24 hours a week with an allowance for six extra hours per child three times a year.

"In-home Care" means hiring someone to come into your home and care for your child.
"Relative Care" is provided by family members, which includes parent, grandparent, brother, sister, step-parent, step-sister, step-brother, uncle, aunt, cousin.

"Child Placing Agency" means a child welfare agency licensed to place children in foster family homes, group homes or adoptive homes.

"Residential Child Care Facility" means a 24-hour residential group care facility with a large number of unrelated children living together with adults other than their parents.

"Children’s Shelter" means a public or private residential program that provides care and supervision for children in a non-secure environment for a period of time usually not exceeding 30 days. The program provides services for children who are in need of temporary emergency care.

REACHING FOR THE STARS PROGRAM

"One Star Family Child Care Home" operates under a state license.

"One Star Plus Family Child Care Home" operates in compliance with licensing requirements, has obtained additional training and reads to children daily; after 12 months, it offers five methods of parent involvement and is assessed using the Family Day Care Rating Scale.

"Two Star Home" is accredited through the National Association of Family Child Care and is in compliance with licensing requirements;

or

meets all One Star Plus criteria and the criteria for home provider qualifications.

"Three Star Home" meets all Two Star criteria and is accredited through the National Association of Family Child Care.

"One Star Child Care Center" operates under a state license.

"One Star Plus Child Care Center" operates in compliance with licensing requirements, the director obtains additional training, there are weekly lesson plans and interest centers, and teachers read to children daily; after 12 months, teachers obtain additional training, the center implements a salary scale with increments based on level of education, credential, training and years of experience, and the center offers seven methods of parent involvement and is assessed using the Early Childhood Environment Rating Scale.
"Two Star Center" operates in compliance with appropriate licensing requirements and is accredited through an approved national accrediting organization;

or

meets all One Star Plus Criteria and the criteria for master teacher responsibilities and qualifications.

"Three Star Center" meets all Two Star center criteria and is accredited through an approved national accrediting organization.

For a complete listing of Stars criteria, you may review [DHS policy 340:110-1-8.3 (click here)]](DHS policy 340:110-1-8.3 (click here))
Appendix B

Reaching for the Stars Criteria: DHS Policy
340:110-1-8.3. Certification of facilities to receive a differential quality rate
Revised 6-27-02

(a) **Purpose.** Certification is required for a provider to receive a differential quality rate for children whose families are receiving child care assistance through the Department.

(b) **Criteria for child care center certification levels.** The levels of certification for child care centers are contained in this subsection.

(1) **Criteria for One Star centers.** A center operating on a permit, license, or provisional license is designated as a One Star center.

(2) **Criteria for One Star Plus centers.** A center can operate on One Star Plus status for a total of 24 months; these months are not required to run consecutively. To be approved as a One Star Plus center, a center must complete and submit form OCC-25, Request for Child Care Center Star Certification, and meet all the requirements in (A) - (C) of this paragraph. To maintain this status after one year, the center must complete and submit Form OCC-25 30 days prior to star certification expiration date and meet the requirements in (A) - (G). At the end of two years, the center must be approved as a Two Star center or return to One Star status. If the new criteria cannot be met at 12 or 24 months, a facility may request an extension of time to comply as set forth in (g). A return to One Star level based upon failure to submit Form OCC-25 with supporting documentation does not constitute a reduction in certification level as set forth in (h). If a reduction is warranted for this purpose, the licensing staff sends a letter, Form OCC-63, One Star Plus Certification Expiration, documenting the reduction in certification level to One Star.

(A) **Licensing status.** The program must have a license, provisional license, or permit and must not have a history of numerous, repeated, or serious non-compliance with applicable licensing requirements. For the purposes of star certification the definitions of numerous, repeated, or serious non-compliance listed in (i) - (iii) of this paragraph will apply. ◆ 1 & 2

**INSTRUCTIONS TO STAFF 340:110-1-8.3**

(i) Numerous non-compliance is defined as any monitoring visit with six or more items documented as non-compliant on the monitoring report for a facility with a licensed capacity of less than 60 or seven or more items for a facility with a licensed capacity of 60 or more. ◆ 3

**INSTRUCTIONS TO STAFF 340:110-1-8.3**

(ii) Repeated non-compliance is defined as three or more documented incidents of non-compliance with the same requirement within the last 12 months. However, for missing immunizations to be
considered a repeat non-compliance, they must be regarding the same child.

(iii) Serious non-compliance is defined as a non-compliance with licensing requirements which exposes children to conditions which present an imminent risk of harm. Some examples of serious non-compliance are violations of requirements for: staff-child ratio; supervision of children; prohibited disciplinary actions; licensed capacity; transportation of children without proper restraints; water activities, pools and other water hazards; multiple hazards; weapons; failure to report child abuse; allowing access to children by a person prohibited due to criminal record, health, or behavior; unauthorized provision of medication to children; room temperatures exceeding 85 degrees; and use of unguarded or unapproved heat sources.

(B) **Director qualifications.** At initial approval the director must have documentation of 40 hours of formal training, within the last two years, from the list of DHS-approved training. At least 20 of those approved hours must be from designated sources in administration and management. After 12 consecutive months of star certification the director must have had a total of 80 hours of formal training within the last three years. At least 40 of those hours must be from designated sources in administration and management. ◆ 4

**INSTRUCTIONS TO STAFF 340:110-1-8.3**

If a new director is hired, the director must have documentation of 40 hours of formal training, within the last two years, from the list of DHS-approved training. At least 20 of those hours must be from designated sources in administration and management. After 12 consecutive months of employment the director must have had a total of 80 hours of formal training within the last three years. At least 40 of those hours must be from designated sources in administration and management. In subsequent years, directors must have documentation of 20 hours of job-related training per employment year from the list of DHS-approved training. ◆ 5

**INSTRUCTIONS TO STAFF 340:110-1-8.3**

(C) **Learning environment.** The center has current weekly lesson plans appropriate for the developmental needs of each group of children. Space for children two years of age and older is arranged in interest areas to facilitate a variety of activities, including block building, dramatic play, manipulative play, art, and book reading. Teachers read to children a minimum of 15 minutes each day.

(D) **Staff training.** Teaching staff employed at the facility for at least 12 months must have 20 hours of training per employment year from the list
of DHS-approved training. This includes part-time staff but not temporary substitutes. This training can be used to meet minimum licensing requirements. The director assists teachers in selecting training that enhances their overall professional growth based upon a review of the teacher’s training record.

INSTRUCTIONS TO STAFF 110-1-8.3

(E) **Staff compensation.** The program must have a salary scale with increments based on level of education, credentials, training, and years of early childhood experience. The director evaluates staff, in writing, at least annually, and compensation is based upon consideration of education, experience and performance.

(F) **Parent involvement.** The center involves parents in the activities described in (i) - (vii) of this subparagraph.

(i) A written system is established and maintained for sharing daily happenings and changes in a child's physical or emotional state. When a child enters kindergarten, a verbal system may be used.

(ii) Parents are welcomed into the center at all times, for example, to observe, eat lunch with a child, or volunteer in the classroom.

(iii) Parent conferences are held at least annually and at other times as needed to discuss children's progress, accomplishments, and difficulties.

(iv) There is a parent resource area with books, pamphlets, or articles on parenting.

(v) Parent meetings with guest speakers or special events are held at least twice per year, for example, open house, brown bag lunch, family pot-luck dinners, children's programs.

(vi) Parents are informed of the center's program through a parent's bulletin board, regular newsletter, or parent handbook.

(vii) Parents participate in program and policy development through board involvement, planning meetings, or questionnaires.

(G) **Program evaluation.** The program is assessed and program goals established every two years. The assessment is conducted by an independent evaluator using all applicable DHS-approved rating scales to determine the day to day quality of care provided to children.

INSTRUCTIONS TO STAFF 110-1-8.3

The initial assessment is scheduled within the first 12 months of the star certification. Staff and parents are surveyed to identify strengths and weaknesses of the program and evaluate the program's effectiveness in meeting the needs of children and parents.
(3) **Criteria for Two Star centers.** To be approved as a Two Star center, a center must complete Form OCC-25 and meet all One Star Plus criteria and the criteria for master teachers described in (A) - (D) of this paragraph, or be accredited by an approved national accrediting body and not have numerous, repeated, or serious non-compliance with licensing requirements.

(A) Master teachers support other teaching staff with responsibilities such as program development, weekly lesson plans, use of space and equipment, interactions with parents, and program evaluation.

(B) There is a master teacher for every 30 children of the licensed capacity. Effective July 1, 2002, during the second and subsequent year as a Two or Three Star center, there must be a master teacher for every 20 children. This number does not include school-age children if the majority of children in care are under five years of age.

(C) The director may only be counted as a master teacher if the licensed capacity minus school-age children is 30 or less. The director can be counted as a master teacher in centers licensed as a school-age program or programs where the majority of children are school-age.

(D) Master teachers must be employed on a full-time basis and meet one of the requirements in (i) - (vi) of this subparagraph.

**INSTRUCTIONS TO STAFF 340:110-1-8.3**

Centers licensed as school-age programs or programs where the majority of children are school-age must have a master teacher for every 40 children of the licensed capacity.

**INSTRUCTIONS TO STAFF 340:110-1-8.3**

Master teachers must currently meet and maintain either:

(i) an occupational child care competency certificate for lead teacher through an Oklahoma technology center and three months of satisfactory full-time experience in a licensed or legally exempt child care setting;

(ii) a current Child Development Associate (CDA) or Certified Child care Professional (CCP) credential;

(iii) a two year college Certification of Mastery;

(iv) 60 credit hours from an accredited college or university including 12 credit hours in early childhood education, child development, or a closely related subject;
(v) a four year degree in elementary education or special education with six college credit hours in child development, early childhood education, or a closely related subject; or

(vi) a two or four year degree in early childhood education or child development.

(E) In centers licensed as school-age programs or programs where the majority of children are school-age, the master teacher must currently meet and maintain either:

(i) one of the qualifications in (D); however, a degree or coursework in (iv) – (vi) may also be in elementary education, recreation, or other coursework that supports working with the school-age child; or

(ii) 120 clock hours of school-age related training from the list of DHS-approved training within the last five years, three years of full-time experience in a licensed school-age child care program or legally exempt school-age child care program, and every two years a minimum score of 5.0 on the School-Age Environment Rating Scale in a classroom where the master teacher is the lead teacher.

(4) Criteria for Three Star centers. To be approved as a Three Star center, a center must meet all Two Star center criteria and be accredited through an approved national accrediting body. When an existing Two Star facility becomes accredited, the provider completes Form OCC-25 with proof of accreditation and documentation reflecting any changes in the previous Two Star certification criteria.

(c) Criteria for family child care home certification levels. The levels of certification for family child care homes are contained in this subsection.

(1) Criteria for One Star homes. A home operating on a permit, license, or provisional license is designated as a One Star home.

(2) Criteria for One Star Plus homes. A home can operate on One Star Plus status for a total of 24 months; these months are not required to run consecutively. To be approved as a One Star Plus family child care home or large family child care home, a home must complete and submit Form OCC-27, Request for Family Child Care Home Star Certification - Differential Quality Level, and meet the requirements in (A) - (C) of this paragraph. To maintain this status after one year, the home must complete and submit form OCC-27 30 days prior to star certification expiration date and meet the requirements in (A) - (E) of this paragraph. At the end of two years, the home must be approved as a Two Star home or return to One Star status. If the new criteria cannot be met at 12 or 24 months, a facility may request an extension of time to comply as set forth in (g). A return to One Star level based upon failure to submit Form OCC-27 with supporting documentation does not constitute a reduction in certification level as set forth in (h). If a
reduction is warranted for this purpose, the licensing staff sends a letter, Form OCC-63, documenting the reduction in certification level to One Star.

(A) Licensing status. The home must have a license, provisional license, or permit and must not have a history of numerous, repeated, or serious non-compliance with applicable licensing requirements. For the purposes of star certification the definitions of numerous, repeated, or serious non-compliance listed in (i) - (iii) of this paragraph will apply.

1 & 2

INSTRUCTIONS TO STAFF 340:110-1-8.3

(i) Numerous non-compliance is defined as any monitoring visit with five or more items documented as non-compliant on the monitoring report.

3

INSTRUCTIONS TO STAFF 340:110-1-8.3

(ii) Repeated non-compliance is defined as three or more documented incidents of non-compliance with the same requirement within the last 12 months. However, for missing immunizations to be considered a repeat non-compliance, they must be regarding the same child.

(iii) Serious non-compliance is defined as non-compliance with licensing requirements which exposes children to conditions which present an imminent risk of harm. Some examples of serious non-compliance are violations of requirements for: staff-child ratio; supervision of children; prohibited disciplinary actions; licensed capacity; transportation of children without proper restraints; water activities, pools and other water hazards; multiple hazards; weapons; failure to report child abuse; allowing access to children by a person prohibited due to criminal record, health or behavior; unauthorized provision of medicine to children; room temperatures exceeding 85 degrees; and use of unguarded or unapproved heat sources.

(B) Home provider training. The family child care home provider must have documentation of 20 clock hours of training per employment year from the list of DHS-approved training. After being employed 12 months, any assistant caregiver required to meet the staff-child ratio must have documentation of 20 clock hours of training per employment year from the list of DHS-approved training. Training must be within the last 12 months and can also be used to meet licensing training requirements.

6

INSTRUCTIONS TO STAFF 340:110-1-8.3

(C) Learning environment. The family child care home provider reads to the children a minimum of 15 minutes each day.
(D) **Parent involvement.** The family child care home must provide the methods of parent communication contained in this subparagraph.

(i) Written policies are given to parents upon enrollment, and the provider has signed contracts with each family.

(ii) The provider encourages parents to visit any time their children are present, and provides access to all parts of the home used for child care.

(iii) The provider arranges for and documents, at least once per year, a conference with each child's parents. They discuss the child's current interests, accomplishments, and challenges, and set goals together.

(iv) The provider makes opportunities available for parents to be involved in the program's activities.

(v) The provider has information available about community resources that provide services to parents and children and makes referrals to community and medical services as needed.

(E) **Home evaluation.** The home is assessed every two years by an independent evaluator using a DHS-approved rating scale to determine the day to day quality of care provided to children.

**INSTRUCTIONS TO STAFF 340:110-1-8.3**

The initial assessment is scheduled within the first 12 months of the star certification.

(3) **Criteria for Two Star homes.** To be approved as a Two Star home the licensed provider must meet the criteria contained in this paragraph. The provider must:

(A) be accredited by an approved national accrediting body and not have numerous, repeated, or serious non-compliance with requirements; or

(B) meet One Star Plus criteria and one of the provider qualifications requirements listed in (i) - (vii) of this subparagraph. In a facility licensed as a large family child care home, the licensed provider or full-time assistant must meet the qualifications. The provider or large family child care home assistant must currently meet and maintain one of these qualifications:

(i) 120 hours of job-related training from the list of DHS-approved training within the last five years, five years of full-time experience in a licensed or legally exempt child care setting, and every two years a minimum score of 5.0 on the Family Day Care Rating Scale.
(ii) an occupational child care competency certificate for lead teacher through an Oklahoma technology center and three months of satisfactory full-time experience in a licensed or legally exempt child care setting;

(iii) a current Child Development Associate (CDA) credential;

(iv) a two year college Certification of Mastery;

(v) 60 credit hours from an accredited college or university including 12 credit hours in early childhood education, child development, or a closely related subject;

(vi) a four year degree in elementary education or special education with six college credit hours in early childhood education, child development, or a closely related subject; or

(vii) a two or four year degree in early childhood education or child development.

(4) **Criteria for Three Star homes.** To be approved as a Three Star home, a home must meet all Two Star home criteria and be accredited through the National Association of Family Child Care. When an existing Two Star facility becomes accredited, the provider completes Form OCC-27 with proof of accreditation and documentation reflecting any changes in the previous Two Star certification criteria.

(d) **Approval for certification for homes and centers.** The procedures contained in this subsection are followed for initial approval for certification, request for higher certification level, and second year of certification for star plus facilities.

(1) The facility submits Form OCC-25 or Form OCC-27, and required documentation to the licensing staff. ◆11

**INSTRUCTIONS TO STAFF 340:110-1-8.3**

(2) Within 30 days of receipt of the facility request, the licensing staff determines if the certification criteria have been met by reviewing the case record and the documentation submitted by the facility. The licensing staff conducts a monitoring visit if it has been more than four months since the last visit. The licensing supervisor reviews all information and consults with the licensing staff as needed prior to approval.

(A) The monitoring visits and substantiated complaints for the last 12 months of operation are reviewed to determine whether the facility meets the compliance criteria. The 12 month history includes the licensing record from the provider’s previous licenses, if any. ◆12

**INSTRUCTIONS TO STAFF 340:110-1-8.3**

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If, within the last 12 months, there are two or more incidents of numerous, repeated, or serious non-compliance as defined in (b)(2)(A) and (c)(2)(A) of this Section, the request may be denied.

INSTRUCTIONS TO STAFF 340:110-1-8.3

(B) If the facility meets the criteria, the licensing staff updates the licensing database. The effective date is the first day of the next month, and the expiration date is one year later for One Star Plus facilities. The licensing representative sends a letter to the provider, Form OCC-35, Child Care Center - Star Certification Approval, or OCC-36, Family Child Care Home - Star Certification Approval, confirming the approval and the effective date.

(INSTRUCTIONS TO STAFF 340:110-1-8.3

If numerous, repeated, or serious non-compliance was identified during review of the case for the star certification, the letter includes a statement that these non-compliances will be considered if there are future non-compliances within a 12 month period and may result in reduction of the star certification.

(C) If the facility fails to meet the criteria, the licensing staff sends a letter to the provider, Form OCC-33, Family Child Care Home - Star Certification Disapproval, or OCC-34, Child Care Center - Star Certification Disapproval, identifying all the criteria that have not been met. The application is also reviewed by licensing staff to determine if another certification level can be met. If a One Star Plus facility is denied at 12 months or 24 months for failure to meet additional quality criteria the procedures in (h) are followed.

(INSTRUCTIONS TO STAFF 340:110-1-8.3

(D) The provider can reapply at any time the criteria are met. However, if the request for a higher certification level is denied due to numerous, repeated, or serious non-compliance with licensing requirements, the provider cannot be approved for a higher certification level for six months after the date of the denial of the request. The six month waiting period may only be reduced by the regional programs manager upon evaluation of the facility's written documentation of corrective actions taken and licensing observation of substantial improvement in compliance.

(e) Complaint investigations. If a complaint is received or an investigation pending while the initial request for star status is being considered, the investigation is completed as soon as possible. If the investigation is not completed within the 30 days, the licensing staff evaluates if the findings could impact the facility's record of compliance with licensing requirements.
(1) If the findings would not impact the facility's record of compliance and the facility meets all criteria, the request is approved.

(2) If the findings could impact the facility's record of compliance, the request is denied.

   (A) If the complaint is later found uncertain or ruled out, the provider may resubmit the request for certification.

   (B) If the criteria are met and the only reason the original request was denied was the incomplete complaint investigation, the request is approved and the effective date of certification is the first day of the month following the date the request was denied. If necessary, the facility can file a supplemental claim.

(f) Ongoing monitoring. The procedures contained in this subsection are followed for ongoing monitoring.

   (1) Written notice. The facility notifies the licensing staff in writing within five working days of any changes in the information provided on Forms OCC-25 or OCC-27. Providers may choose to use Forms OCC-26, Periodic Star Certification Review – Center, or OCC-28, Periodic Star Certification Review – Home, to submit this information.

   (2) Periodic monitoring visits. During a minimum of three periodic monitoring visits annually, the licensing staff completes Form OCC-26 or OCC-28 and verifies that certification documentation is still current and accurate and that the facility has not developed a history of numerous, repeated, or serious non-compliance with licensing requirements. ♦ 16

INSTRUCTIONS TO STAFF 340:110-1-8.3

Once the provider has been notified in writing that numerous, repeated, or serious non-compliance exists, any subsequent numerous, repeated, or serious non-compliance within a 12-month period is considered a history. Once the provider has developed a history of numerous, repeated, or serious non-compliance, certification may be reduced using the procedure in subsection (h). ♦ 13

INSTRUCTIONS TO STAFF 340:110-1-8.3

(3) Violations. If violations of certification criteria are documented, or if the facility notifies Licensing in writing of any changes in the information provided on Forms OCC-25 or OCC-27 the facility submits a plan for correcting the violations within an agreed-upon time frame, not to exceed 90 days from the date the violation occurred or the date a facility is notified of a substantiated complaint. ♦ 17 & 18

INSTRUCTIONS TO STAFF 340:110-1-8.3
Licensing staff provides written notification to the operator documenting the violations and a statement that the certification level will be reduced if violations are not corrected within the agreed-upon time frame. The notification also states that future violations of this or other certification criteria may result in the reduction of certification level.

(g) **Extension of time to comply.** When a center or home fails to maintain the criteria for their certification level the licensing staff advises the provider of the right to request an extension of time to comply. The provider submits the request to the Director of Child Care Services or designee prior to the expiration of the One Star Plus certification or the agreed-upon time frame for the correction of the violations. One or more discretionary extensions of time to comply of one to six months may be granted. The applicant must demonstrate that the violation of the criteria was not foreseeable and beyond the applicant’s control.

(h) **Reduction in certification level.** The procedures in this subsection are followed under the following circumstances: if a One Star Plus facility fails to meet the additional criteria at 12 or 24 months; if violations are not corrected within the agreed-upon time frame; if the facility has developed a history of numerous, repeated, or serious non-compliance with licensing requirements; if the Department has issued an Emergency Order; if a notice of proposed denial or revocation of license has been issued; or if an injunction is obtained.

(1) Appropriate supervisory approvals are obtained before any action is taken. The licensing staff reviews the case with the supervisor and regional programs manager. If the criteria not met includes numerous, repeated or serious non-compliance, the regional programs manager notifies the licensing coordinator’s office.

(2) If a reduction is warranted and supervisory approval has been obtained, the licensing staff sends a certified letter, Form OCC-62, Star Certification Reduction, to the provider documenting the reduction in certification level. Certification is reduced to the level at which the provider meets criteria. In the letter, the provider is informed of the right to request an administrative review of the decision. The certified mail delivery receipt card is addressed to return to the Director of Child Care Services. In order to receive an administrative review, the provider must submit a request in writing to the Director of Child Care Services within 15 calendar days of receipt of the Department’s letter notifying the provider of the reduction. The request must include written documentation stating the provider’s grounds for appeal.

(3) The Licensing staff enters the recommended reduction on the database and the supervisor approves the action. State Office staff update any changes in the star status level and star payment rate following verification of the provider’s receipt of the certified letter and the administrative review, if requested.

**INSTRUCTIONS TO STAFF 340:110-1-8.3**
(4) If an administrative review is requested and the Agency is upheld or no administrative review is requested, the licensing staff obtains the star certificate and decal from the provider on the next monitoring visit.

(5) The procedures in (A) through (C) of this subsection are followed when an administrative review is requested.

(A) Within 30 days of receipt of the request for an administrative review, a letter is sent notifying the provider of the date of the administrative review. The letter is sent to the provider’s last known address. The provider is given at least two weeks written notice prior to the administrative review. Any supporting documentation which the Agency intends to use as evidence at the review to support its decision is included with the letter.

(B) The review is conducted by a panel of agency staff who have not been involved in the decision to reduce. The provider may submit written documentation and is given an opportunity to appear at the administrative review. The standard of review applied by the panel is whether or not the agency decision to reduce is substantially supported by the evidence. The burden of proof to be applied is the greater weight of the evidence.

(C) When possible, the reviewing panel will make a determination to either affirm or reverse the Agency decision on the date of the administrative review and announce their decision at the conclusion of the review. Time constraints or the complexity of issues may require the panel to take a matter under advisement. Written findings are to be completed within ten calendar days from the date of the review.

(6) If there is evidence of extenuating or revised circumstances, the provider may propose alternative settlement options prior to the date of the review hearing by contacting the Statewide Licensing Coordinator or designee.

(7) The provider can reapply for a higher certification level at any time the criteria are met. However, if the certification level is reduced due to numerous, repeated, or serious non-compliance with licensing requirements, the provider cannot be approved for a higher certification level for six months after the receipt of the certified reduction letter.

(i) Change in ownership. If the ownership of a star facility changes and the new owner desires to retain the star status, the new owner applies by submitting a new Form OCC-25 and the required documentation to verify that the certification criteria is continuing to be met. The effective date of the new certification can be the six month permit date if approved within 30 days of the permit date.

(j) Change in location. If the location of a facility changes, the licensing staff verifies compliance with the criteria at the new location.}

**INSTRUCTIONS TO STAFF 340:110-1-8.3**
(k) **Record-keeping.** Periodic review forms, certification request forms, and supporting documentation are maintained in the licensing file or in a separate file that is part of the open record, with the exception of page 5, Staff Salary Report, of Form OCC-25 and supporting documentation, the completed rating scale, as well as photos including children, which are maintained in a confidential manner.
Appendix C

Child Care Eligibility/Rates Schedule
**SCHEDULE OF CO-PAYMENTS:** The following chart (based on income, family size and number of persons in care) is used in determining the family share co-payment to be paid by clients who are eligible. All co-payments are to be paid directly to the provider each month, not to exceed the amount charged. Oklahoma Department of Human Services (OKDHS) payments are made on the balance of care costs after the co-payment has been deducted.

Note: The shaded area of the chart represents income levels of families who were approved to receive a child care benefit on August 31, 2004. Families who remain in the limits of the shaded eligibility and do not lose eligibility for another reason for more than one month will continue to be eligible for a child care benefit through August 31, 2005. Families who were not approved for a child care benefit on August 31, 2004 and whose income falls in the shaded area of the chart are not eligible for a child care subsidy.

| Gross earned plus unearned income, minus legally-binding child support paid, rounded to the nearest dollar. | When the family size is 5 members or less and the number of persons in OKDHS subsidized care is: |
|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 or more |
| **THE CLIENT PAYS THE FIRST:** | | | | | |
| $ 0 - $850 | $0 | $0 | $0 | $0 |
| $851 - $900 | $6 | $12 | $18 | $24 |
| $901 - $950 | $12 | $22 | $31 | $41 |
| $951 - $1000 | $19 | $32 | $45 | $58 |
| $1001 - $1050 | $27 | $45 | $62 | $80 |
| $1051 - $1100 | $35 | $55 | $75 | $95 |
| $1101 - $1150 | $44 | $68 | $91 | $115 |
| $1151 - $1200 | $54 | $81 | $108 | $135 |
| $1201 - $1250 | $65 | $95 | $125 | $155 |
| $1251 - $1300 | $65 | $95 | $125 | $155 |
| $1301 - $1350 | $77 | $107 | $137 | $167 |
| $1351 - $1400 | $90 | $120 | $150 | $180 |
| $1401 - $1450 | $105 | $135 | $165 | $195 |
| $1451 - $1500 | $105 | $135 | $165 | $195 |
| $1501 - $1575 | $120 | $150 | $180 | $210 |
| $1576 - $1650 | $132 | $162 | $192 | $222 |
| $1651 - $1725 | $139 | $169 | $199 | $229 |
| $1726 - $1800 | $146 | $176 | $206 | $236 |
| $1801 - $1875 | $154 | $184 | $214 | $244 |
| $1876 - $1950 | $154 | $184 | $214 | $244 |
| $1951 - $2025 | $162 | $192 | $222 | $252 |
| $2026 - $2125 | $170 | $200 | $230 | $260 |
| $2126 - $2225 | $179 | $209 | $239 | $269 |
| $2226 - $2325 | $189 | $219 | $249 | $279 |
| $2326 - $2425 | $189 | $226 | $256 | $287 |
| $2426 - $2525 | * | $226 | $256 | $287 |
| $2526 - $2625 | * | $237 | $270 | $302 |
| $2626 - $2725 | * | $250 | $284 | $318 |
| $2726 - $2825 | * | $263 | $299 | $335 |
| $2826 - $2925 | * | $263 | $299 | $335 |
| $2926 - $3025 | * | * | $314 | $352 |
| $3026 - $3125 | * | * | $314 | $352 |
| $3126 - $3225 | * | * | $331 | $370 |
| $3226 - $3325 | * | * | $348 | $390 |
When the family size is 5 members or less and the number of persons in OKDHS subsidized care is:

<table>
<thead>
<tr>
<th>ADJUSTED MONTHLY INCOME</th>
<th>When the family size is 5 members or less and the number of persons in OKDHS subsidized care is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3326 - $3425</td>
<td><strong>THE CLIENT PAYS THE FIRST:</strong> $348, $390</td>
</tr>
<tr>
<td>$3426 - $3525</td>
<td>* * $368, $410</td>
</tr>
<tr>
<td>$3526 - $3625</td>
<td>* * $366, $410</td>
</tr>
<tr>
<td>$3626 AND ABOVE</td>
<td>* Client pays total cost of child care</td>
</tr>
</tbody>
</table>

For six members and above, see next page.
When the family size is 6 members or more and the number of persons in OKDHS subsidized care is:

<table>
<thead>
<tr>
<th>ADJUSTED MONTHLY INCOME</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<tr>
<td>$3526 - $3625</td>
<td>*</td>
<td>*</td>
<td>$292</td>
<td>$328</td>
</tr>
</tbody>
</table>
| $3626 AND ABOVE | * | | | | Client pays total cost of child care
CHILD CARE RATES: The rates paid by OKDHS are determined by:

1. **the star status of the facility.** The star status of a facility is determined by Division of Child Care (DCC) Licensing staff based on certain quality indicators. The higher the star status, the higher the reimbursement rate given by OKDHS. Increases in star status are effective the month after Licensing approval. Decreases in star status are effective four months after the provider is notified of the reduction.

2. **the settings in which child care is provided.** Child care rates vary depending on whether care is given in a child care center, a child care home, or in the child’s own home. The in-home child care rate is 90% of the rate paid to a one star child care home for a child of the same age. See page four of this chart for the one star child care home rates.

3. **the child’s age.** The age of a child is shown first on the rate charts. Age breakdowns are different for child care centers and homes. Age-driven rate changes are made effective the first of the month following the child's birth date. Child care authorizations for children attaining age 13 are closed effective the day before the child turns age 13. Children between the ages of 13 and 19 who meet the definition of a child with disabilities or who are in the custody of OKDHS can receive child care assistance if needed. OKDHS pays the same rate for their care as for a child between the ages of 73 months and 13 years.

4. **the county in which the provider is located.** The charts show standard and metro area rates. Counties in the Metro area are designated by an * at the bottom of the last chart on pages four through seven.

5. **the type of authorization that is approved:**
   - **FULL-TIME.** The full-time daily authorization is given for care provided more than four hours per day.
   - **PART-TIME.** The part-time daily authorization is for care provided four hours or less per day.
   - **BLEND**ed. Blended authorizations are for care given four hours or less per day Monday through Friday when school is in session and more than four hours per day Monday through Friday on school holidays. The traditional blended authorization is effective from August 16th through May 15th of each year and reverts to the five day per week weekly authorization from May 16th through August 15th. The extended school year blended authorization is effective for the entire calendar year.
   - **WEEKLY.** Weekly authorizations may be given when care is needed more than four hours per day three or more days each week. Authorizations for part-time or in-home care or when the child is using more than one child care facility are not eligible for weekly authorizations. See OKDHS Appendix C-4-B, Guidelines for Weekly Authorizations, for information about when a weekly authorization may be given and how it is paid.
   - **SPECIAL NEEDS (Ages 0 to 19 years of age).** The special needs authorization allows an additional amount to be paid in addition to the rate a child care provider receives for a typical child of the same age after Form ADM-
123, Certification for Special Needs Child Care Rate, approval process is followed. There are two special needs authorizations, moderate and severe. If one of the special needs authorizations is approved, it becomes effective the month following the month eligibility is established. For a child who is between the ages of 13 to 19, use the daily rate for a typical child between 73 months and 13 years of age. Child care authorizations for a child attaining age 19 are closed effective the day before the child turns age 19. If the parent qualifies, a weekly authorization may be approved for both the severe and moderate special needs approvals.
# ONE STAR CHILD CARE CENTERS

<table>
<thead>
<tr>
<th>Age of child</th>
<th>Standard area</th>
<th></th>
<th></th>
<th>Metro area*</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Daily rates</td>
<td>Blended rates</td>
<td></td>
<td>Daily rates</td>
<td>Blended rates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Full</td>
<td>Part</td>
<td>Trad.</td>
<td>Extended</td>
<td>Full</td>
<td>Part</td>
</tr>
<tr>
<td>0 - 12 mos.</td>
<td>$15</td>
<td>$11</td>
<td>NA</td>
<td>NA</td>
<td>$15</td>
<td>$11</td>
</tr>
<tr>
<td>13 - 24 mos.</td>
<td>$15</td>
<td>$11</td>
<td>NA</td>
<td>NA</td>
<td>$15</td>
<td>$11</td>
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<tr>
<td>25 - 48 mos.</td>
<td>$13</td>
<td>$9</td>
<td>NA</td>
<td>NA</td>
<td>$13</td>
<td>$9</td>
</tr>
<tr>
<td>49 - 72 mos.</td>
<td>$13</td>
<td>$9</td>
<td>$10</td>
<td>$11</td>
<td>$13</td>
<td>$9</td>
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<tr>
<td>73 mos. - 13 yrs.</td>
<td>$11</td>
<td>$7</td>
<td>$8</td>
<td>$9</td>
<td>$11</td>
<td>$7</td>
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*Metro area counties: Canadian, Cleveland, Kay, Oklahoma, Tulsa, Wagoner, Washington

**WEEKLY AUTHORIZATIONS** are paid at the full-time daily rate for the number of days the child attends more than four hours. See OKDHS Appendix C-4-B for the minimum number of days attended to qualify for the absence day payment and the maximum number of days that will be paid. Absent day payments are made with the payment received after the tenth of the following month.

**SEVERE SPECIAL NEEDS RATE:** Child care providers receive an additional $14 for a full-time day and an additional $10 for a part-time day for a child approved for the severe special needs rate.

**MODERATE SPECIAL NEEDS RATE:** Child care providers receive an additional $8 for a full-time day and an additional $6 for a part-time day for a child approved for the moderate special needs rate.

**IN-HOME CHILD CARE RATE** is 90% of the rate paid to a one star child care home for a child of the same age. Children approved for an in-home provider cannot receive a weekly or blended authorization.
<table>
<thead>
<tr>
<th>Age of child</th>
<th>Standard area</th>
<th>Metro area*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>Blended rates</td>
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<tr>
<td></td>
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<td>Part</td>
</tr>
<tr>
<td>0 - 12 mos.</td>
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<td>13 - 24 mos.</td>
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<td>25 - 48 mos.</td>
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<td>49 - 72 mos.</td>
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ONE STAR PLUS CHILD CARE HOMES

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<tr>
<td>49 - 72 mos.</td>
<td>$14</td>
<td>$10</td>
</tr>
<tr>
<td>73 mos. - 13 yrs.</td>
<td>$12</td>
<td>$9</td>
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</tbody>
</table>

*Metro area counties: Canadian, Cleveland, Kay, Oklahoma, Tulsa, Wagoner, Washington

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## TWO STAR CHILD CARE CENTERS

<table>
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<th>Standard area</th>
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<td>Blended rates</td>
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<tr>
<td>25 - 48 mos.</td>
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<td>$12</td>
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<td>49 - 72 mos.</td>
<td>$15</td>
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<td>$12</td>
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<tr>
<td>73 mos. - 13 yrs.</td>
<td>$13</td>
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*Metro area counties: Canadian, Cleveland, Kay, Oklahoma, Tulsa, Wagoner, Washington

## TWO STAR CHILD CARE HOMES

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<td>NA</td>
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<tr>
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<td>$13</td>
<td>$14</td>
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<td>$21</td>
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Appendix D

2001 TANF Telephone Survey Codebook
Variable Name: Respnum$
Variable Label: Respondent number
Values: Range

Variable Name: Dispos$
Variable Label: Final disposition
Values: 0 = Partially completed interview (N = 1, respondent #296)
        110 = Completed interview

Variable Name: HH
Variable Label: Including yourself, how many people are in your household?
(How many persons live at the address and considers it their PERMANENT home?)
Values: Range: 1-8

Variable Name: NAME
Variable Label: Beginning with the head of household, please tell me the FIRST names of each of these persons.
List adults first and then list the children from oldest to youngest.
Values: Open-ended

Variable Name: Q1
Variable Label: I need to know which county you live in. What is your zip code?
Values: Range
        99999 = DON'T KNOW/REFUSED

Variable Name: Q2
Variable Label: How is _____ related to _____?
Values: 1 = Self
        2 = Spouse
        3 = Son/Daughter
        4 = Stepchild
        5 = Spouse of son/daughter
        6 = Grandchild
        7 = Parent of head of household
        8 = Brother/Sister
        9 = Other relative
       10 = Foster child
       11 = Living with someone as married
       12 = Not related
Variable Name: Q3
Variable Label: What is _____ age?
Values: Range: 0-120 years (If age is LESS THAN 1 YEAR --> enter "0")
    777 = DON'T KNOW
    888 = REFUSED

Variable Name: Q4
Variable Label: What is _____ sex?
Values: 1 = Male
    2 = Female

Variable Name: Q5_1
Variable Label: Do you consider _____ to be....White (not Hispanic)?
Values: 0 = No
    1 = Yes

Variable Name: Q5_2
Variable Label: Do you consider _____ to be....Black or African American?
Values: 0 = No
    1 = Yes

Variable Name: Q5_3
Variable Label: Do you consider _____ to be....Hispanic/Latino(a)?
Values: 0 = No
    1 = Yes

Variable Name: Q5_4
Variable Label: Do you consider _____ to be....American Indian or Alaskan native?
Values: 0 = No
    1 = Yes

Variable Name: Q5_5
Variable Label: Do you consider _____ to be....Asian/Pacific Islander?
Values: 0 = No
    1 = Yes

Variable Name: Q5_6
Variable Label: Do you consider _____ to be....Some other race?
Values: 0 = No
    1 = Yes

Variable Name: Q6
Variable Label: What is _____ current marital status? Is he/she...
Values: 1 = Married
    2 = Separated
3 = Divorced
4 = Widowed
5 = Living together as married
6 = Never married

Variable Name: Q7
Variable Label: What was/is the last grade _____ completed in school? Was it...
Values: 1 = No schooling completed
        2 = K-12th grade, NO DIPLOMA
        3 = HIGH SCHOOL GRADUATE--high school diploma or equivalent (e.g., GED)
        4 = Some college credit, but NO degree
        5 = Vo-Tech or Trade School
        6 = Associate’s degree (e.g., AA or AS)
        7 = Bachelor’s degree (e.g., BA, AB, BS)
        8 = Some graduate school
        9 = Graduate degree
        10 = DON'T KNOW/REFUSED

Variable Name: Q8_1
Variable Label: Is _____ covered by any of the following health insurance coverage....Employer, union / group health insurance?
Values: 0 = No
        1 = Yes

Variable Name: Q8_2
Variable Label: Is _____ covered by any of the following health insurance coverage....Medicare?
Values: 0 = No
        1 = Yes

Variable Name: Q8_3
Variable Label: Is _____ covered by any of the following health insurance coverage....Medicaid / Title 19 / SoonerCare?
Values: 0 = No
        1 = Yes

Variable Name: Q8_4
Variable Label: Is _____ covered by any of the following health insurance coverage....Tribal Health Care?
Values: 0 = No
        1 = Yes

Variable Name: Q8_5
Variable Label: Is _____ covered by any of the following health insurance coverage....Other?
Values: 0 = No  
1 = Yes

Variable Name: Q8_6
Variable Label: Is _____ covered by any of the following health insurance coverage....No insurance?
Values: 0 = No  
1 = Yes

Variable Name: Q8oth
Variable Label: Other responses to Q8_5
Values: Open-ended

Variable Name: Q9
Variable Label: In general, would you say _____ health is ...
Values: 1 = Excellent  
2 = Very good  
3 = Good  
4 = Fair  
5 = Poor

Variable Name: Q10A
Variable Label: During the past 12 months, has _____ been sick or hurt and not treated by a doctor because you could not afford to pay for services, yes or no?
Values: 1 = Yes  
2 = No  
3 = DON'T KNOW/REFUSED

Variable Name: Q10B
Variable Label: During the past 12 months, has _____ needed vision or dental care and not received services because of an inability to pay? Would you say...
Values: 1 = Yes, Dental  
2 = Yes, Vision  
3 = Yes, Both Dental and Vision  
4 = No  
5 = DON'T KNOW/REFUSED

Variable Name: Q11
Variable Label: Is _____ legally disabled, yes or no? (--have a disability that is recognized by the Social Security Administration)
Values: 1 = Yes  
2 = No  
3 = DON'T KNOW
**PERSONS AGE 16 OR OLDER**

Variable Name: Q12A  
Variable Label: Is _____ currently employed full time, part time, or not employed?  
Values:  
1 = Full time  
2 = Part time  
3 = Not employed

Variable Name: Q12B  
Variable Label: Did _____ do any temporary, part-time, or seasonal work, even for a few days, in the last 12 months, yes or no?  
Values:  
1 = Yes  
2 = No

Variable Name: Q13A  
Variable Label: What was _____ total monthly income from all sources, but NOT including income from TANF, Food Stamps, Child Support, or Housing Assistance?  
Values:  
Range: $0-$10,000  
11,111 = DON'T KNOW/REFUSED

Variable Name: Q13B2  
Variable Label: This month, what other cash and non-cash income does your household receive or expect to receive? How much income will your household receive from TANF?  
Values:  
Range: $0-$650  
666 = DON'T KNOW/REFUSED

Variable Name: Q13B3  
Variable Label: How much income will your household receive from Food Stamps?  
Values:  
Range: $0-$800  
888 = DON'T KNOW/REFUSED

Variable Name: Q13B4  
Variable Label: How much income will your household receive from Subsidized Housing Allowance? (Section 8)  
Values:  
Range: $0-$1,000  
1111 = DON'T KNOW/REFUSED

Variable Name: Q13B5  
Variable Label: How much income will your household receive from Supplemental Security Income or assistance for the Aged, Blind, Disabled?
Values: Range: $0-$500
555 = DON’T KNOW/REFUSED

Variable Name: Q13B6
Variable Label: How much income will your household receive from Unemployment Benefits?
Values: Range: $0-$1,000
1111 = DON’T KNOW/REFUSED

Variable Name: Q13B7
Variable Label: How much income will your household receive from a Child Care subsidy?
Values: Range: $0-$1,000
1111 = DON’T KNOW/REFUSED

Variable Name: Q13B8
Variable Label: How much income will your household receive from OTHER assistance or benefits programs?
Values: Range: $0-$1,000
1111 = DON’T KNOW/REFUSED

Variable Name: Q13C
Variable Label: Which person receives the TANF payment? Is it...
Values: 1 = _____
2 = _____
3 = _____
4 = _____
5 = _____
6 = _____
7 = _____
8 = _____

Variable Name: Q14A
Variable Label: Is _____ regularly scheduled to work the same days every week, yes or no?
Values: 1 = Yes
2 = No
3 = REFUSED

Variable Name: Q14B
Variable Label: Does _____ work the same shift every day, yes or no?
Values: 1 = Yes
2 = No
3 = REFUSED

Variable Name: Q15A1
Variable Label: Does _____ receive paid vacation from his/her main job, yes or no?
Values: 1 = Yes
        2 = No
        3 = DON'T KNOW/REFUSED

Variable Name: Q15A2

Variable Label: Does _____ receive paid sick leave from his/her main job, yes or no?
Values: 1 = Yes
        2 = No
        3 = DON'T KNOW/REFUSED

Variable Name: Q15A3

Variable Label: Does _____ receive retirement program benefits from his/her main job, yes or no?
Values: 1 = Yes
        2 = No
        3 = DON'T KNOW/REFUSED

Variable Name: Q15A4

Variable Label: Does _____ receive Deferred Compensation or 401K program benefits from his/her main job, yes or no? (Tax deferred retirement savings program)
Values: 1 = Yes
        2 = No
        3 = DON'T KNOW/REFUSED

Variable Name: Q15A5

Variable Label: Does _____ receive family medical leave benefits from his/her main job, yes or no?
Values: 1 = Yes
        2 = No
        3 = DON'T KNOW/REFUSED

Variable Name: Q15A6

Variable Label: Does _____ receive employee assistance program benefits from his/her main job, yes or no? (short-term counseling)
Values: 1 = Yes
        2 = No
        3 = DON'T KNOW/REFUSED

Variable Name: Q15A7

Variable Label: Does _____ receive family medical insurance benefits from his/her main job, yes or no?
Values: 1 = Yes
        2 = No
        3 = DON'T KNOW/REFUSED

Variable Name: Q15A8
Variable Label: Does _____ receive family dental insurance benefits from
his/her main job, yes or no?
Values: 1 = Yes
        2 = No
        3 = DON'T KNOW/REFUSED

Variable Name: Q15A9
Variable Label: Does _____ receive family vision insurance benefits from
his/her main job, yes or no?
Values: 1 = Yes
        2 = No
        3 = DON'T KNOW/REFUSED

Variable Name: Q15B
Variable Label: Is there room for advancement at _____ job, yes or no?
Values: 1 = Yes
        2 = No
        3 = DON'T KNOW/REFUSED

Variable Name: Q15C
Variable Label: Has _____ received a promotion during the past 12 months on
his/her main job, yes or no? (their perception)
Values: 1 = Yes
        2 = No
        3 = DON'T KNOW/REFUSED

Variable Name: Q15D
Variable Label: How many days did it take _____ to find their current job?
[SPECIFY: # of DAYS; can estimate # of DAYS]
Values: Range: 0-365 (IF > 1 YEAR --> ENTER '365')
        366 = DON'T KNOW/REFUSED

Variable Name: Q15E
Variable Label: For the current main job, how many weeks has _____ been
employed? [SPECIFY: NUMBER of WEEKS; can estimate # of WEEKS]
Values: Range: 1-500 (IF > 500 WEEKS --> ENTER '500')
        555 = DON'T KNOW/REFUSED

Variable Name: Q15F
Variable Label: How many weeks total has _____ been employed ANYWHERE
during the last 12 months? [LIST ESTIMATED NUMBER OF WEEKS]
Values: Range: 0-51
55 = DON'T KNOW/REFUSED

Variable Name: Q15G
Variable Label: Does _____ work at any other paid job, yes or no?
Values: 1 = Yes
2 = No
3 = REFUSED

Variable Name: Q15H
Variable Label: Has _____ lost a job within the last 12 months, yes or no?
(Includes quitting a job)
Values: 1 = Yes
2 = No
3 = DON'T KNOW/REFUSED

Variable Name: Q15I
Variable Label: What is the main reason _____ lost a job? [IF MORE THAN
ONE, GIVE THE REASON FOR THE MOST RECENT JOB LOST]
Values: Open-ended

Variable Name: Q15J
Variable Label: Have transportation problems prevented _____ from getting or
keeping a job, yes or no?
Values: 1 = Yes
2 = No
3 = DON'T KNOW/REFUSED

PERSONS AGE 18 OR OLDER

Variable Name: Q16
Variable Label: What is the main reason _____ is not employed? [LIST
SPECIFIC REASON]
Values: Open-ended

PERSONS AGE 18 OR YOUNGER

Variable Name: Q17A
Variable Label: Is there a court-ordered child support payment for _____ ?
Would that be...
Values: 1 = Yes, receiving regular payments
2 = Yes, receiving occasional or partial payments
3 = Yes, but not receiving payments
4 = No, child support not established
5 = No, paternity not established
6 = No, does not apply.
7 = DON'T KNOW/REFUSED
Variable Name: Q17B
Variable Label: What is the ordered MONTHLY payment for _____ ? [GIVE MONTHLY ORDERED AMOUNT FOR EACH CHILD--not amount received]
Values: Range: 1-700
777 = DON'T KNOW/REFUSED

Variable Name: Q17C
Variable Label: Is there a child support enforcement case open for _____ ?
Values: 1 = Yes
2 = No
3 = DON'T KNOW/REFUSED

PERSONS AGE 14 OR YOUNGER

Variable Name: Q18A
Variable Label: Are you currently employed, in job training, or in school, yes or no?
Values: 1 = Yes
2 = No

Variable Name: Q18B
Variable Label: If you are NOT currently employed, in job training, or in school, is it because you cannot find child care, yes or no?
Values: 1 = Yes
2 = No

Variable Name: Q19A_1
Variable Label: Please tell me which child care arrangements you use for _____ while you are at work, in training, or in school (or on a regular basis). Do you use....Spouse/Significant other?
Values: 0 = No
1 = Yes

Variable Name: Q19A_2
Variable Label: Please tell me which child care arrangements you use for _____ while you are at work, in training, or in school (or on a regular basis). Do you use....Child cares for self?
Values: 0 = No
1 = Yes

Variable Name: Q19A_3
Variable Label: Please tell me which child care arrangements you use for _____ while you are at work, in training, or in school (or on a regular basis). Do you use....Parent not living in the home?
Variables:  
0 = No  
1 = Yes  

Variable Name: Q19A_4  
Variable Label: Please tell me which child care arrangements you use for _____ while you are at work, in training, or in school (or on a regular basis). Do you use: Grandparent or other adult relative?  
Values: 0 = No  
1 = Yes  

Variable Name: Q19A_5  
Variable Label: Please tell me which child care arrangements you use for _____ while you are at work, in training, or in school (or on a regular basis). Do you use: In-home care by older, minor sibling?  
Values: 0 = No  
1 = Yes  

Variable Name: Q19A_6  
Variable Label: Please tell me which child care arrangements you use for _____ while you are at work, in training, or in school (or on a regular basis). Do you use: Adult, non-relative caretaker?  
Values: 0 = No  
1 = Yes  

Variable Name: Q19A_7  
Variable Label: Please tell me which child care arrangements you use for _____ while you are at work, in training, or in school (or on a regular basis). Do you use: Child care home?  
Values: 0 = No  
1 = Yes  

Variable Name: Q19A_8  
Variable Label: Please tell me which child care arrangements you use for _____ while you are at work, in training, or in school (or on a regular basis). Do you use: Child care center?  
Values: 0 = No  
1 = Yes  

Variable Name: Q19A_9  
Variable Label: Please tell me which child care arrangements you use for _____ while you are at work, in training, or in school (or on a regular basis). Do you use: HeadStart?  
Values: 0 = No  
1 = Yes  

Variable Name: Q19A_10
Variable Label: Please tell me which child care arrangements you use for _____ while you are at work, in training, or in school (or on a regular basis). Do you use....Before and/or After school program?
Values: 0 = No
1 = Yes

Variable Name: Q19A_11
Variable Label: Please tell me which child care arrangements you use for _____ while you are at work, in training, or in school (or on a regular basis). Do you use....Neighbor keeps an eye on child?
Values: 0 = No
1 = Yes

Variable Name: Q19A_12
Variable Label: Please tell me which child care arrangements you use for _____ while you are at work, in training, or in school (or on a regular basis). Do you use....None of the above apply?
Values: 0 = No
1 = Yes

Variable Name: Q19B
Variable Label: While you are at work, in training, or in school, where does _____ spend the most time? [the setting where child spends the most time--other than school] Is it...
Values: 1 = Spouse/Significant other
2 = Child cares for self
3 = Parent not living in the home
4 = Grandparent or other adult relative
5 = In-home care by older, minor sibling
6 = Adult, non-relative caretaker
7 = Child care home
8 = Child care center
9 = HeadStart
10 = Before and/or After school program
11 = Neighbor keeps an eye on child
12 = None of the above apply

Variable Name: Q20A
Variable Label: If _____ is in a child care center or a child care home, is this facility licensed, yes, no, or don’t know?
Values: 1 = Yes
2 = No
3 = Don’t know
4 = DOES NOT APPLY, child not in child care home or center

Variable Name: Q20B
Variable Label: Why don't you use a licensed or formal child care center or child care home for _____? Is it because...
Values: 1 = The child care facility you wanted was full
      2 = It costs too much
      3 = Problems with transportation
      4 = You don't trust child care providers to care for your child
      5 = None of the above
      6 = The question does not apply to my situation

Variable Name: Q21A
Variable Label: In the past 12 months, have you needed some kind of child care but could not afford to pay anyone, yes or no?
Values: 1 = Yes
      2 = No
      3 = REFUSED

Variable Name: Q21B
Variable Label: Do you know that child care assistance (money, help with payments) is available to low-income families who are employed, in job training, or in school, yes or no?
Values: 1 = Yes
      2 = No

Variable Name: Q21C
Variable Label: Are you currently using any child care assistance (money, help with payments), yes or no?
Values: 1 = Yes
      2 = No
      3 = REFUSED

Variable Name: Q21D_1
Variable Label: Why don't you use financial assistance to help you cover your child care costs? Is it because you...Are not eligible, income too high?
Values: 0 = No
      1 = Yes

Variable Name: Q21D_2
Variable Label: Why don't you use financial assistance to help you cover your child care costs? Is it because you...Did not apply for child care assistance?
Values: 0 = No
      1 = Yes

Variable Name: Q21D_3
Variable Label: Why don't you use financial assistance to help you cover your child care costs? Is it because you...Have applied, but have not heard from DHS?
Values: 0 = No
1 = Yes

Variable Name: Q21D_4
Variable Label: Why don't you use financial assistance to help you cover your child care costs? Is it because you...The co-payment is too high?
Values: 0 = No
1 = Yes

Variable Name: Q21D_5
Variable Label: Why don't you use financial assistance to help you cover your child care costs? Is it because you...Feel ashamed or uncomfortable receiving financial help from the government?
Values: 0 = No
1 = Yes

Variable Name: Q21D_6
Variable Label: Why don't you use financial assistance to help you cover your child care costs? Is it because you...Do not want to put your child in formal licensed child care?
Values: 0 = No
1 = Yes

Variable Name: Q21D_7
Variable Label: Why don't you use financial assistance to help you cover your child care costs? Is it because you...Your employment, training, or school takes place while child is in school?
Values: 0 = No
1 = Yes

Variable Name: Q21D_8
Variable Label: Why don't you use financial assistance to help you cover your child care costs? Is it because you...None of the above apply?
Values: 0 = No
1 = Yes

Variable Name: Q22
Variable Label: Have you ever heard of the program, offered by the state, called Reaching for the Stars that designates One, Two and Three Star child care facilities, yes or no? [--A ranking system that indicates quality]
Values: 1 = Yes
2 = No

Variable Name: Q23_1
Variable Label: What problems of child care for _____ have affected your current job (or the last job you had)? Has it been...Transportation to or from child care?
Values: 0 = No
1 = Yes

Variable Name: Q23_2

Variable Label: What problems of child care for _____ have affected your current job (or the last job you had)? Has it been...Sick child?
Values: 0 = No
1 = Yes

Variable Name: Q23_3

Variable Label: What problems of child care for _____ have affected your current job (or the last job you had)? Has it been...Loss, change, or disruption of regular child care?
Values: 0 = No
1 = Yes

Variable Name: Q23_4

Variable Label: What problems of child care for _____ have affected your current job (or the last job you had)? Has it been...Could not find care due to unusual working hours?
Values: 0 = No
1 = Yes

Variable Name: Q23_5

Variable Label: What problems of child care for _____ have affected your current job (or the last job you had)? Has it been...Other?
Values: 0 = No
1 = Yes

Variable Name: Q23_6

Variable Label: What problems of child care for _____ have affected your current job (or the last job you had)? Has it been...NO child care problems affect my job?
Values: 0 = No
1 = Yes

Variable Name: Q23_7

Variable Label: What problems of child care for _____ have affected your current job (or the last job you had)? Has it been...Not applicable--NEVER had job?
Values: 0 = No
1 = Yes
Variable Name: Q23oth
Variable Label: Other responses to Q23_5
Values: Open-ended

Variable Name: Q24_1
Variable Label: In the past year, where have you seen or received information on how to choose child care? Have you seen...'Choosing Quality Child Care" video or booklet in a DHS office?
Values: 0 = No
1 = Yes

Variable Name: Q24_2
Variable Label: In the past year, where have you seen or received information on how to choose child care? Have you seen...Materials from a resource and referral agency?
Values: 0 = No
1 = Yes

Variable Name: Q24_3
Variable Label: In the past year, where have you seen or received information on how to choose child care? Have you seen...The DHS child care website?
Values: 0 = No
1 = Yes

Variable Name: Q24_4
Variable Label: In the past year, where have you seen or received information on how to choose child care? Have you seen...TV commercials, radio, or billboards?
Values: 0 = No
1 = Yes

Variable Name: Q24_5
Variable Label: In the past year, where have you seen or received information on how to choose child care? Have you seen...A display at a fair, mall, library, or some other place?
Values: 0 = No
1 = Yes

Variable Name: Q24_6
Variable Label: In the past year, where have you seen or received information on how to choose child care? Have you seen...Materials from a child care provider?
Values: 0 = No
1 = Yes

Variable Name: Q24_7
Variable Label: In the past year, where have you seen or received information on how to choose child care? Have you seen...Other?
Values: 0 = No
1 = Yes

Variable Name: Q24_8
Variable Label: In the past year, where have you seen or received information on how to choose child care? Have you seen...Have NOT seen information on choosing child care from any source?
Values: 0 = No
1 = Yes

Variable Name: Q24oth
Variable Label: Other responses to Q24_7
Values: Open-ended

Variable Name: Q25
Variable Label: In the past year, have you sent _____ to school or day care when s/he was sick because you had no other choice, yes or no?
Values: 1 = Yes
2 = No
3 = REFUSED

Variable Name: Q26
Variable Label: Are you aware that the services of a child care resource and referral agency are available, free of charge, to help you find child care, yes or no?
Values: 1 = Yes
2 = No

Variable Name: Q27A
Variable Label: In the past year, have you had difficulty in locating child care, yes or no?
Values: 1 = Yes
2 = No

Variable Name: Q27B
Variable Label: What has been your biggest problem in locating care for _____? Is it...
Values: 1 = No openings
2 = Child has special needs
3 = Odd-hour care needed (e.g., weekends and evenings)
4 = Good quality child care is not available
5 = Problems with transportation (not close to home/work)
6 = Cannot afford the child care that is available
7 = Other
Variable Name: Q27BOTH
Variable Label: What is the biggest problem in locating child care for _____?
Values: Open-ended

Variable Name: Q28
Variable Label: DHS has funds to improve the quality of child care. In your opinion, which one of the following areas would be the MOST helpful for families with children. Please choose the one area that you think would be most helpful. The choices are:
Values: 1 = Funds for child care teacher training and training materials.
        2 = Scholarship money to send child care teachers to college for more education.
        3 = Funds for improving salaries of child care teachers.
        4 = Funds for parent referral services that help parents locate child care.
        5 = Funds for facilities to purchase additional equipment or improve their physical facilities.
        6 = Funds for additional DHS licensing staff who monitor child care facilities.
        7 = More financial help for child care for low-income families.
        8 = DON'T KNOW/REFUSED

MAIN CAREGIVER

Variable Name: Q29
Variable Label: Could you tell me which person is the main caregiver in the household? Is it...
Values: 1 = _____
        2 = _____
        3 = _____
        4 = _____
        5 = _____
        6 = _____
        7 = _____
        8 = _____

Variable Name: Q30A
Variable Label: These next questions are about the food eaten in your family. People do different things when they are running out of money for food to make their food or their food money go further. In the last 12 months, did you or other adults in your household ever cut the size of your meals or skip meals because there was not enough money for food, yes or no?
Values: 1 = Yes
        2 = No
        3 = DON'T KNOW/REFUSED

Variable Name: Q30B
Variable Label: How often did this happen? Was it...
Values: 1 = Only 1 or 2 months
       2 = Some months, but not every month
       3 = Almost every month
       4 = DON'T KNOW/REFUSED

Variable Name: Q30C
Variable Label: In the last 12 months, did you ever eat less than you felt you should because there was not enough money to buy food, yes or no?
Values: 1 = Yes
       2 = No
       3 = DON'T KNOW/REFUSED

Variable Name: Q30D
Variable Label: In the last 12 months, were you ever hungry but did not eat because you could not afford enough food, yes or no?
Values: 1 = Yes
       2 = No
       3 = DON'T KNOW/REFUSED

Variable Name: Q30E
Variable Label: Now I'm going to read you two statements that people have made about their food situation. For these statements, please tell me whether the statement was never, sometimes, or often true for you or the other members of your household in the last 12 months. The first statement is...The food that we bought just did not last, and we did not have money to get more. Was that...
Values: 1 = Never true
       2 = Sometimes true
       3 = Often true
       4 = DON'T KNOW/REFUSED

Variable Name: Q30F
Variable Label: We could not afford to eat balanced meals. Was that...
Values: 1 = Never true
       2 = Sometimes true
       3 = Often true
       4 = DON'T KNOW/REFUSED

Variable Name: Q31A
Variable Label: Next, I'll read a list of things that might have happened to you. Please tell me if any of these things have happened to you in the last 12 months. You can respond "yes" or "no" to each. Have you gotten behind in your rent or other payment for housing?
Values: 1 = Yes
       2 = No
       3 = REFUSED
Variable Name: Q31B
Variable Label: Did you have to move because you could not pay for housing?
Values: 1 = Yes
       2 = No
       3 = REFUSED

Variable Name: Q31C
Variable Label: Did you get behind on a utility bill?
Values: 1 = Yes
       2 = No
       3 = REFUSED

Variable Name: Q31D
Variable Label: Did you go without electricity in your home due to non-payment?
Values: 1 = Yes
       2 = No
       3 = REFUSED

Variable Name: Q31E
Variable Label: Did you go without heat in your home due to non-payment?
Values: 1 = Yes
       2 = No
       3 = REFUSED

Variable Name: Q31F
Variable Label: Did your water get cut off due to non-payment?
Values: 1 = Yes
       2 = No
       3 = REFUSED

Variable Name: Q31G
Variable Label: Did you have a car, truck or van taken away because you could not keep up the payments?
Values: 1 = Yes
       2 = No
       3 = REFUSED

Variable Name: Q31H
Variable Label: Did your phone service get cut off due to non-payment?
Values: 1 = Yes
       2 = No
       3 = REFUSED

Variable Name: Q31I
Variable Label: Have you done without telephone service as a way to cut expenses?
Values: 1 = Yes
2 = No
3 = REFUSED

Variable Name: Q31J
Variable Label: Did somebody in your home get sick or hurt when you could not pay for medical care?
Values: 1 = Yes
2 = No
3 = REFUSED

Variable Name: Q31K
Variable Label: Did someone in your home go without prescription medications because you could not afford to pay for it?
Values: 1 = Yes
2 = No
3 = REFUSED

Variable Name: Q31L
Variable Label: Did someone in your household have any unpaid medical bills that were at least 2 months past due because you could not afford to pay them?
Values: 1 = Yes
2 = No
3 = REFUSED

Variable Name: Q31M
Variable Label: Have you had any other bills that were at least two months past due because you could not afford to pay them?
Values: 1 = Yes
2 = No
3 = REFUSED

Variable Name: Q31N
Variable Label: Did you move in with someone or let someone move in with you because you couldn’t afford to support your family without sharing the costs with someone?
Values: 1 = Yes
2 = No
3 = REFUSED

Variable Name: Q31O
Variable Label: Did you have to go to a homeless shelter?
Values: 1 = Yes
2 = No
3 = REFUSED

Variable Name: Q31P
Variable Label: Did you live on the street or in abandoned houses or buildings?
Values: 1 = Yes
       2 = No
       3 = REFUSED

Variable Name: Q31Q
Variable Label: Currently, what is your monthly rent or house payment? [LIST AMOUNT PER MONTH; amount respondent pays out of pocket]
Values: Range: $0-$5,000
       5555 = DON'T KNOW/REFUSED

Variable Name: Q32A
Variable Label: Now I'd like to ask you about your involvement with your child's school or HeadStart program. Since the beginning of this school year (since August 2000), have you... Attended a general meeting, for example, a back-to-school night or a meeting of a parent-teacher organization, yes or no?
Values: 1 = Yes
       2 = No
       3 = NA--No children in school/HeadStart
       4 = REFUSED
       5 = Child(ren) are home-schooled

Variable Name: Q32B
Variable Label: Have you gone to a regularly scheduled conference or meeting with your child's teacher or care provider?
Values: 1 = Yes
       2 = No
       3 = REFUSED

Variable Name: Q32C
Variable Label: Have you attended a class event, such as a play, sport event, or science fair because of your child?
Values: 1 = Yes
       2 = No
       3 = NA--no such events held this school year
       4 = REFUSED

Variable Name: Q32D
Variable Label: Have you acted as a volunteer at the school or HeadStart, or served on a school-related committee?
Values: 1 = Yes
       2 = No
Variable Name: Q33
Variable Label: This is the last set of questions. Have you ever received TANF or AFDC assistance payments, yes or no? (AFDC = Aid to Families with Dependent Children)
Values: 1 = Yes
2 = No

Variable Name: Q34A_1
Variable Label: Did you receive any of the following services as a result of help from your DHS case manager? Did you receive assistance with...Learning to read or write?
Values: 0 = No
1 = Yes

Variable Name: Q34A_2
Variable Label: Did you receive any of the following services as a result of help from your DHS case manager? Did you receive assistance with...Basic mathematics?
Values: 0 = No
1 = Yes

Variable Name: Q34A_3
Variable Label: Did you receive any of the following services as a result of help from your DHS case manager? Did you receive assistance with...Completing your GED?
Values: 0 = No
1 = Yes

Variable Name: Q34A_4
Variable Label: Did you receive any of the following services as a result of help from your DHS case manager? Did you receive assistance with...Vo-tech training for a specific job?
Values: 0 = No
1 = Yes

Variable Name: Q34A_5
Variable Label: Did you receive any of the following services as a result of help from your DHS case manager? Did you receive assistance with...Vo-tech training for increased education?
Values: 0 = No
1 = Yes

Variable Name: Q34A_6
Variable Label: Did you receive any of the following services as a result of help from your DHS case manager? Did you receive assistance with...College training for a specific job?
Values: 0 = No
1 = Yes

Variable Name: Q34A_7
Variable Label: Did you receive any of the following services as a result of help from your DHS case manager? Did you receive assistance with...College training for increased education?
Values: 0 = No
1 = Yes

Variable Name: Q34A_8
Variable Label: Did you receive any of the following services as a result of help from your DHS case manager? Did you receive assistance with...Work experience?
Values: 0 = No
1 = Yes

Variable Name: Q34A_9
Variable Label: Did you receive any of the following services as a result of help from your DHS case manager? Did you receive assistance with...Substance abuse treatment?
Values: 0 = No
1 = Yes

Variable Name: Q34A_10
Variable Label: Did you receive any of the following services as a result of help from your DHS case manager? Did you receive assistance with...On-the-job training?
Values: 0 = No
1 = Yes

Variable Name: Q34A_11
Variable Label: Did you receive any of the following services as a result of help from your DHS case manager? Did you receive assistance with...Flex funding?
Values: 0 = No
1 = Yes

Variable Name: Q34A_12
Variable Label: Did you receive any of the following services as a result of help from your DHS case manager? Did you receive assistance with...Other?
Values: 0 = No
1 = Yes

Variable Name: Q34A11B
Variable Label: Open-ended responses to Q34A_11 (use of flex funding)
Values: Open-ended
Variable Name: Q34AOTH
Variable Label: Other responses to Q34A_12
Values: Open-ended

Variable Name: Q34B1
Variable Label: Of the services you received, which were the MOST helpful in getting a job?
Values: Open-ended

Variable Name: Q34B2
Variable Label: Of the services you received, which were the LEAST helpful in getting a job?
Values: Open-ended

Variable Name: Q34C1
Variable Label: If you have received a promotion since going to work, did any of the DHS services aid you in getting the promotion, yes or no?
Values: 1 = Yes  
2 = No  
3 = NOT APPLICABLE--Have not been promoted

Variable Name: Q34C2
Variable Label: Which services helped with your promotion?
Values: Open-ended

Variable Name: Q34D
Variable Label: What ONE service would have helped you the most on your job or in your life that DHS did NOT provide?
Values: Open-ended

Variable Name: Q35
Variable Label: Are you currently receiving TANF assistance, yes or no?
Values: 1 = Yes  
2 = No

Variable Name: Q36
Variable Label: Why are you no longer receiving TANF assistance?
Values: Open-ended

Variable Name: Q37
Variable Label: Have you ever received Food Stamp benefits, yes or no?
Values: 1 = Yes  
2 = No

Variable Name: Q38
Variable Label: Are you currently receiving Food Stamps, yes or no?
Values: 1 = Yes  
2 = No

Variable Name: Q39  
Variable Label: Why are you no longer receiving Food Stamps?  
Values: Open-ended

Variable Name: Q40  
Variable Label: Have you ever received Medicaid benefits, yes or no? (includes SoonerCare, Title 19, or "welfare/DHS card for kids")  
Values: 1 = Yes  
2 = No

Variable Name: Q41  
Variable Label: Are you currently receiving Medicaid, yes or no?  
Values: 1 = Yes  
2 = No

Variable Name: Q42  
Variable Label: Why are you no longer receiving Medicaid?  
Values: Open-ended

Variable Name: Intdate  
Variable Label: Date of completed interview  
Values: Range

Variable Name: Inttime  
Variable Label: Time of completed interview  
Values: Range

Variable Name: DHSID  
Variable Label: DHS identification number  
Values: Range

Variable Name: SSNUM  
Variable Label: Social Security number  
Values: Range

Variable Name: Recnum  
Variable Label: Record number  
Values: Range

Variable Name: Type  
Variable Label: Location of respondent  
Values: 1 = Oklahoma County
2 = Other counties
3 = Tulsa County

Variable Name: County
Variable Label: County of residence
Values: Range
Appendix E

Sample Report by Last Disposition
Appendix E

Sample Report by Last Disposition

<table>
<thead>
<tr>
<th>Disposition Code</th>
<th>Description</th>
<th>Formula Code</th>
<th>Records</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Formula Code</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>110 Complete</td>
<td>I</td>
<td>751</td>
</tr>
<tr>
<td>2</td>
<td>120 Partial complete (completed Q27B)</td>
<td>P</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>211 Refusal</td>
<td>R</td>
<td>18</td>
</tr>
<tr>
<td>4</td>
<td>212 Break off (before Q27B completed)</td>
<td>R</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>221 Callback</td>
<td>NC</td>
<td>83</td>
</tr>
<tr>
<td>6</td>
<td>222 Answering machine</td>
<td>NC</td>
<td>169</td>
</tr>
<tr>
<td>7</td>
<td>231 Deceased</td>
<td>O</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>232 Physically or mentally unable</td>
<td>O</td>
<td>3</td>
</tr>
<tr>
<td>9</td>
<td>233 Language Barrier</td>
<td>O</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>312 Busy</td>
<td>UHe</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(not eliminated)</td>
</tr>
<tr>
<td>11</td>
<td>313 No answer</td>
<td>UHe</td>
<td>116</td>
</tr>
<tr>
<td>12</td>
<td>315 Call block/call screen</td>
<td>UHe</td>
<td>16</td>
</tr>
<tr>
<td>13</td>
<td>318 Wrong number</td>
<td>UHe</td>
<td>252</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(eliminated)</td>
</tr>
<tr>
<td>14</td>
<td>320 Fax/data line</td>
<td>UHe</td>
<td>21</td>
</tr>
<tr>
<td>15</td>
<td>421 Pager</td>
<td>UHe</td>
<td>11</td>
</tr>
<tr>
<td>16</td>
<td>432 Disconnected</td>
<td>UHe</td>
<td>501</td>
</tr>
<tr>
<td>17</td>
<td>442 Cell Phone</td>
<td>UHe</td>
<td>0</td>
</tr>
<tr>
<td>18</td>
<td>452 Institution/Group quarters</td>
<td>UHe</td>
<td>5</td>
</tr>
<tr>
<td>19</td>
<td>470 Not Qualified- Never been on TANF</td>
<td>UHe</td>
<td>3</td>
</tr>
<tr>
<td>20</td>
<td>475 No Phone</td>
<td>UHe</td>
<td>437</td>
</tr>
<tr>
<td>21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Total Attempted</td>
<td>UHe</td>
<td>2400</td>
</tr>
<tr>
<td>23</td>
<td>Not Attempted</td>
<td>UHe</td>
<td>0</td>
</tr>
<tr>
<td>24</td>
<td>Total Sample</td>
<td>UHe</td>
<td>2400</td>
</tr>
</tbody>
</table>

FORMULA: \( RR_e = \frac{(I+P)}{(I+P)+(R+NC+O)} \times UHe \)

\(= \frac{(751+1)}{(751+1)+(19+252+11)+(4+116+16)} \)

\(= \frac{752}{752+282+136} \)

\(= \frac{752}{1170} \)

\(= 0.64273504273 \)

\(= 64.3\% \)