

Subsidy Enrollments among Accredited Child Care Providers in Maryland

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Prepared for the Division of Early Childhood Development
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Background

As a result of the legislative budget hearings for MSDE's Division of Early Childhood Development (DECD), the General Assembly required the submission of a report to the budget committees on the number of children in the Child Care Subsidy Program who are enrolled in accredited child care programs and on the percentage of accredited programs that serve children in the Child Care Subsidy Program. MSDE contracted with Towson University to use two existing databases—the Child Care Automated Tracking System (CCATS) and the Early Childhood Accreditation Project database—to perform such a match. The CCATS database includes a wide range of information about both child care providers and the families participating in the child care subsidy program. Such data as family income, family size, the type of care provided, and subsidy and co-pay amounts are all present, and can be merged with the records of accredited providers.

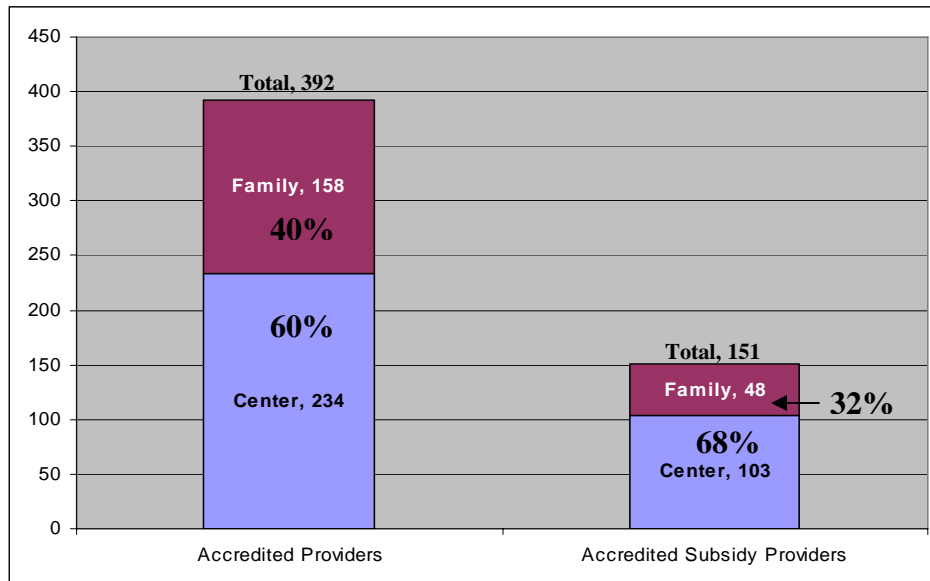
Data

The Early Childhood Accreditation Project database includes information about all early childhood programs, including child care, which obtained either state or national program accreditation. Program accreditation reflects standards of high quality, considered superior to the state's licensing standards, enhancing the chances for children to gain the skills, behaviors and aptitudes necessary to matriculate into kindergarten successfully. Since low-income children are participating in the Child Care Subsidy Program, educational policy embraces enrollment in accredited early care programs as a way to mitigate the achievement gap observed in grades K through 12.

As of August of 2007, the database of accredited childcare providers totaled 392, of which 235 were centers and 158 homes. It includes those providers accredited by one or more of the following organizations: the National Association for the Education of Young Children (NAEYC), the Maryland State Department of Education, National Early Childhood Program Accreditation (NECPA), Middle State Accreditation, the American Montessori Society (AMI) and AMI International, and the National Association of Family Child Care. As of August, 329 or 84% of those providers had an identified license number, the ID necessary for matching accredited providers with the subsidy database. The subsidy population in June of 2007, the most recent complete dataset available, included 25,482 children, served monthly by some 6,462 childcare providers. Roughly 3.8% of childcare providers taking subsidies in June and eligible for accreditation were actually accredited.

As of June 2007, 151 accredited providers (46% of accredited providers with license numbers) had at least one subsidized child enrolled. Sixty-eight percent of these providers were centers and 32% families, a ratio slightly more skewed towards centers than the average of all accredited providers. (See the graphic below).

Total Numbers of Accredited Providers and Accredited Subsidy Providers, June 2007



Source for this and all graphics is the joined set of accredited child care providers taking subsidized children.

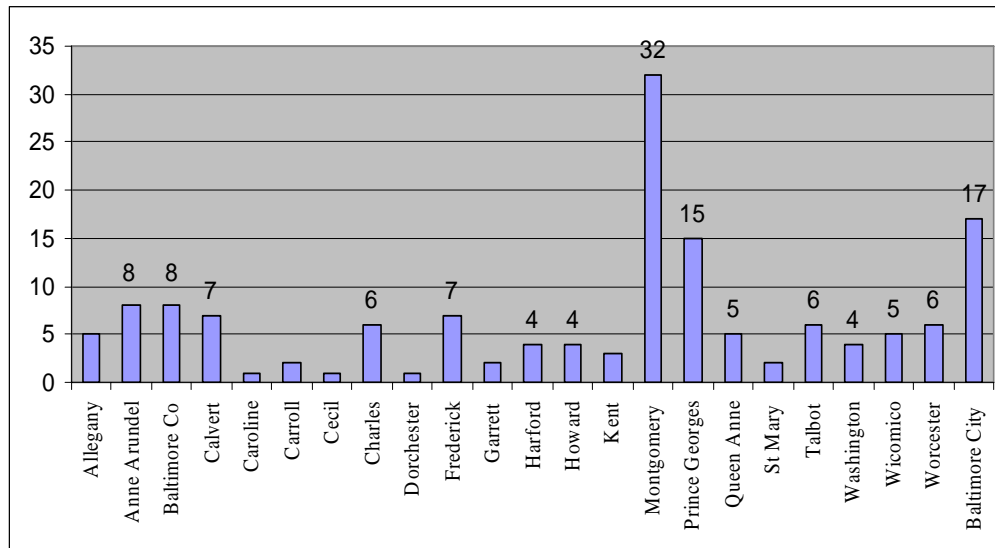
Subsidy children in the care of these providers totaled 1,156, for an average of 7.7 children per accredited provider, with centers averaging 9.4 children per provider and families 3.9. This is a slightly higher center enrollment than the average for all subsidy children, and a slightly lower family enrollment than average. Those 1,156 children comprise 4.5% of the total population of subsidy children.

Focusing on these accredited subsidy providers by county shows a distribution with the following features.

- The suburban counties of the DC area, Montgomery and Prince George’s, have a large number of accredited providers. Anne Arundel, Charles, Calvert and Frederick are also well represented.
- In the Baltimore area, Baltimore City has a large number, but Baltimore County does not.
- Certain rural counties, such as Talbot, Allegany, Worcester and Wicomico, have more accredited providers than one would expect given their small and dispersed populations.

See the next graphic below.

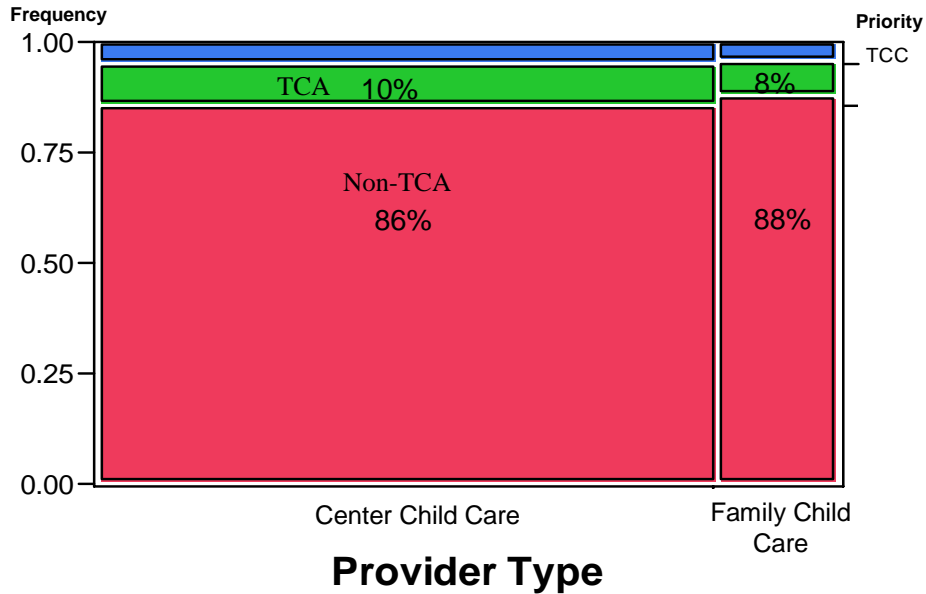
Accredited Subsidy Providers by County, June 2007



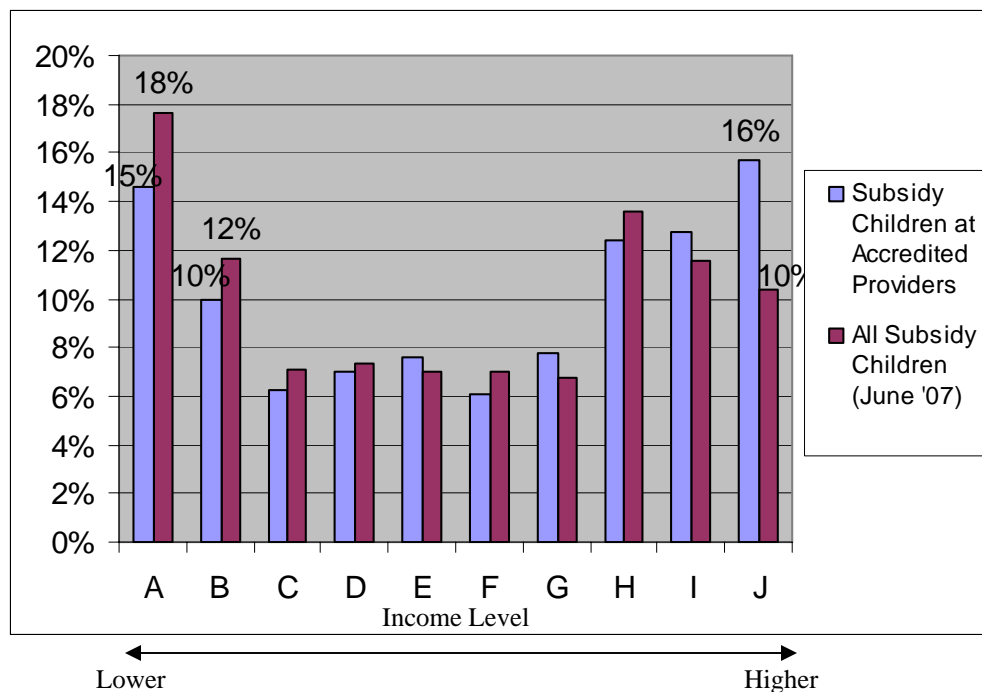
The population of children receiving subsidies and enrolled in accredited providers are primarily in families classified as the "working poor," often single parent families with an employed adult and annual income at or below 175% of poverty level (\$29,990 per year for a family of three). Ninety percent of subsidy children in accredited centers answer this description, as do 92% of those in accredited family homes, as shown by the combination of the Non-TCA and TCC* categories on the graphic immediately below. The remaining 10% of center children and 8% of family provider children are in families that receive cash welfare, in Maryland's Temporary Cash Assistance (TCA) program. In contrast, 12.6% of the whole population of subsidy children are in families receiving TCA, indicating that families which choose accredited providers are slightly less impoverished than those which do not.

* Non-TCA families are those with an employed adult, who has not been on Maryland's TCA cash assistance welfare program within the last year; TCC, or Transitional Child Care, families *have* been on TCA within the last year.

Children Receiving Subsidies enrolled in Accredited Provider Care by Provider Type and Priority, June 2007



Subsidy Children under Accredited Providers Care by Income Level, June 2007



Additional indications of the incomes of subsidy families with children at accredited providers come from the income levels recorded in the subsidy data. These income levels vary from the lowest, Level A, where annual gross incomes do not exceed \$10,980 for a family of three, to the highest, Level J, where annual gross incomes lie between \$25,734 and \$29,990 for a family of three. The graph immediately above shows the distribution of subsidy children enrolled in accredited providers compared to the typical subsidy population distribution. While many of the middle income levels show only small differences between children in these two groups, the lowest and highest income levels show clear differences. In Level J, for example, children in accredited programs are much more numerous proportionately than regular subsidy children; the reverse is true for Level A. Thus there is a clear but modest preference for accredited providers among less impoverished subsidy families.

Summary

Our conclusions are as follows:

- An estimated 46% of accredited providers participate in the Child Care Subsidy Program, with an average of 7.7 subsidy children enrolled per provider. Of these providers, slightly more than two-thirds are center providers, and the rest, family providers.
- Roughly 5% of all subsidy children, totaling 1,156 individuals, are in the care of accredited providers.
- Accredited providers with subsidy children tend to cluster in Montgomery and Prince George's Counties and Baltimore City. Certain rural counties, including Talbot, Allegany, Worcester and Wicomico, have such providers out of proportion to their population, while other counties, including Baltimore and Howard Counties, are disproportionately under populated with such providers.
- There is a modest tendency for subsidy families using accredited providers to be less impoverished than average subsidy families.