Voices From the Field: Providers' Experiences with Implementing DECAL's Quality Rated Subsidy Grant Pilot Program

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Introduction

The Quality Rated Subsidy Grant Pilot Program

The Quality Rated Subsidy Grant Pilot Program is an innovative pilot program developed by the Georgia's Bright from the Start: Department of Early Care and Learning (DECAL) to:

1. improve access to high-quality early care and education programs for low-income families,
2. reimburse providers at a rate that supports the cost of high-quality care,
3. test a new funding model (i.e., issuing grants to providers rather than the usual child care subsidy vouchers to individual families), and
4. create an opportunity for closer relationships between child care providers and families.

In the current child care subsidy system, families who are not in the pilot apply for subsidies through the Childcare and Parent Services (CAPS) program and then find a child care program that will accept the subsidy. Leadership at DECAL was interested in testing a new approach to improving access to high-quality early care and education for low-income families, in part, because of the success of a similar grant funding model in Georgia's Pre-K program.

To recruit participants for the subsidy grant pilot, child care programs with two or three stars from Georgia's Quality Rated program[1] that were actively serving 10 or more infants or toddlers through the state's child care subsidy program were invited to apply. Thirty-six child care programs were selected to participate; 12 programs started implementation in August 2015, and 24 began in December 2016. One program closed 6 months later, and there are currently 35 programs actively participating in the grant. The subsidy program grantees were reimbursed at approximately the 90th percentile of the market rate for child care as compared to the typical subsidy base rate of about the 25th percentile. Between August 2015 and March 2017, the Quality Rated Subsidy Grant Pilot Program supported high-quality child care for 506 children. DECAL has funded this subsidy grant pilot through its Race to the Top-Early Learning Challenge (RTT-ELC) grant and will continue the pilot through December 2018, when the RTT-ELC grant ends. DECAL leadership then intends to transition a portion of its child care subsidy slots funded by the Child Care and Development Fund (CCDF) to this type of grant model to providers (rather than funding by child).

> **Key differences between the Quality Rated Grant Pilot and CAPS Subsidy Programs**
>
> Providers in the Quality Rated Grant Pilot Program are reimbursed at a higher rate for child care subsidies compared to providers not in the program who serve families receiving CAPS subsidies.
>
> In programs participating in the Quality Rated Grant Pilot Program, families apply for the subsidies at the child care center, with support from the center staff. Families eligible for the usual CAPS subsidies apply through CAPS.

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[1] Quality Rated is Georgia's Quality Rating and Improvement System (QRIS). It includes three levels, with three stars as the rating for highest quality.

Purpose

The purpose of this study is to describe child care providers' experiences implementing the Quality Rated Subsidy Grant Pilot Program. Findings presented in this report are intended to provide DECAL staff with information to inform subsidy policies and possibly plan future subsidy grant initiatives.

Key findings

This section presents a summary of the major themes we found in providers' responses to the interview questions. More detailed information about each of these main findings is included in later sections of this report.

1. **Parent engagement was a cornerstone of the Quality Rated Subsidy Grant Pilot Program.** We found specific mention of parent engagement in responses to the various topics covered throughout the interview. When asked about reasons for applying, providers most frequently reported that they applied because they wanted to address family needs. Providers described how managing the child care subsidy application process gave them an opportunity to know families better. For example, one provider said she helped three families open checking accounts after knowing the families better. Some providers noted that families who received subsidies through the grant were more likely to volunteer at the center or participate in family engagement activities than families who did not receive the grant subsidy. Many providers used grant funds to hold additional workshops for parents or family fun nights. Finally, when asked about changes in their child care program, many providers mentioned improvements in their relationships with families.

2. **The Quality Rated Subsidy Grant Pilot Program achieved its goals.** Providers reported changes that directly align with the subsidy grant pilot goals. They saw an increase in enrollment of children from families who struggled with paying for child care. About 60 percent of children served by the grant were newly enrolled in the participating centers. Several providers said the grant's subsidy reimbursement rate was more in line with their true program costs compared to other sources of revenue. Finally, as described in the first finding, the grant was a springboard for strengthening relationships between child care providers and families.

3. **Providers' main reason for applying for the grant was to help families.** Some providers saw the need to help families whose children were enrolled in their center, while others saw the need to help families in their community whose children were not enrolled in an early learning program. A few providers said they were asked to apply for the grant by a district manager or other person in a leadership position.

4. **Providers reported multiple challenges with onsite eligibility determination.** Many providers described difficulties working with families to obtain application documents such as pay stubs and children's birth certificate. Some providers had difficulty assessing eligibility due to individual family situations, such as documenting income for self-employed parents. A few providers described how they found solutions for challenges, such as making

laptops available at their center to families without internet access at home so could find their pay stubs online.

5. **Providers reported using grant resources to support the quality of their child care program.** More than 70 percent of providers used grant funds for quality supports. Many providers purchased materials, such as developmental screening tools, books, or playground equipment, or used grant funds for teacher training. Some used funds to increase teacher pay so they could hire or retain teachers with an early childhood degree or credential. Eighteen percent of providers only used grant funds for general operating expenses.

6. **Providers reported multiple improvements in the quality of their child care program.** Twenty-one percent of providers reported that they saw improvements in their teachers because of new training opportunities supported by the grant. A few providers increased staff pay and hired teachers with more advanced credentials. Some noted improvements in teacher turnover. Many described offering more parent engagement activities, such as parent education workshops or opportunities for parents to read books with children at the center.

Overview of this report

This report is divided into seven sections plus appendices. We present detailed findings that address providers':
   1. initial engagement with the grant program,
   2. experiences with the subsidy eligibility determination process,
   3. use of grant-supported financial resources,
   4. reports of changes in their child care programs, and
   5. feedback on a new strategy that would offer grants to support an entire infant classroom.

We then present recommendations and conclusions based on our findings. Appendices cover our methodology and interview protocol.

Approach

Our approach to understanding the Quality Rated Subsidy Grant Pilot Program included two steps: (1) interviews with DECAL staff, and (2) interviews with directors at child care centers who received the grant. First, we conducted telephone interviews with four DECAL staff members to obtain input for developing the provider interview questions. DECAL staff told us that they were interested in learning about:
   • providers' motivation for applying for the grant,
   • how families were selected to participate,
   • challenges and solutions with eligibility determination,
   • how grant funds were used,
   • providers' perceptions of changes in their child care program, and

- recommendations for improvement.

We used this information to create a provider interview protocol, included in Appendix A.

In the second step, we invited directors of the 35 Quality Rated Subsidy Grant Pilot Program child care centers to participate in a 45- to 60-minute telephone interview.[2] Between November 2016 and January 2017, we interviewed providers from 28 centers, for a response rate of 80 percent. See Table 1 for demographic characteristics of the 28 centers. In a few cases, an additional staff member who was closely involved with the subsidy grant, such as an assistant director or family service worker, joined the director in the interview. In this report, we use the generic term *provider* to describe the interview participants. Of the seven child care centers from whom we did not receive a response, four experienced director turnover after the grant was awarded. It is possible that the new directors didn't respond to the interview request because they didn't feel knowledgeable about all of the issues covered in the interview (e.g., the initial training and establishment of procedures).

Table 1. Characteristics of the 28 interviewed Quality Rated Subsidy Grant Pilot Program centers

Characteristic	N	Percent
Quality rating		
Two-star	15	54%
Three-star	13	46%
For-profit status		
For-profit chain or franchise	11	39%
Not-for-profit chain or franchise	17	61%
Additional center funding[3]		
Pre-K	24	86%
Early Head Start	4	14%

Two Child Trends staff members participated in each interview: an interviewer and a note-taker. We used a two-step analytic approach. First, we reviewed notes from interviews to identify common themes within broad topics that aligned with the interview questions. We organized these common themes into sub-categories for each of the broad topics. We then used Dedoose analytic software to code interview notes and add up the total number of responses for each thematic sub-category. Appendix B provides more detail on our methodological approach, including data collection strategies and analysis approach.

Limitations

It is important to note limitations to our findings. First, child care providers self-reported all the information collected as part of this study; the research team did not gather any additional data

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[2] This evaluation is intended to provide information that DECAL can use for planning. Findings are not intended to be generalized. For these reasons, the Child Trends Institutional Review Board (IRB) found this investigation to be exempt from IRB review.

[3] Centers could receive Georgia's Pre-K funds, Early Head Start funds, both, or neither.

regarding the subsidy grant pilot. Thus, the information provided represents the views of participating providers. Second, this investigation is a process evaluation that examines the experiences of pilot grantees, and findings cannot be generalized to describe how a broader population of providers may experience the program. Third, our findings represent the experiences of the 28 child care providers who participated in the interviews; it is not possible to know if the findings would be different if all 35 grantees had participated.

Providers' Initial Engagement with Quality Rated Subsidy Grant Pilot Program

A few DECAL staff members were not certain if, in the process of getting the Quality Rated Subsidy Grant Pilot Program up and running, they were successful in communicating the program's goals. They weren't aware of providers' motivations for applying for the grant and the extent to which those motivations aligned with DECAL's goals for the program. We began the interviews by asking providers what led them to apply for the grant.

Reasons for applying for the grant

Providers gave four main reasons for applying for the grant. 1. Many providers saw the grant as an opportunity to help families with children already enrolled in their center who were facing hardships

> "My goal was to bring high-risk children into a quality environment, particularly to increase enrollment for Hispanic children who are underserved in our program."

paying for child care. 2. Other providers saw the grant as an opportunity to help families within their community who also faced hardships and whose children were either not enrolled in any early learning program or were enrolled in lower-quality programs. 3. The third main reason for applying was financial stability. Some directors specifically mentioned a freeze on CAPS spending as hurting their ability to cover program expenses; when CAPS funds were frozen, very few additional families could receive child care subsidies. These providers reported that the subsidy grant pilot offered the opportunity to continue to provide high-quality care for children whose families had fewer resources to pay for it. 4. Last, some providers said they were encouraged to apply by a regional director or district manager.

Provider Experiences with Managing the Application and Eligibility Determination Process

The Quality Rated Subsidy Grant Pilot Program allows families to apply for child care subsidies directly at a child care center. DECAL staff noted that there were few guidelines or conditions for subsidy grant providers, other than to fill the grant subsidy slots and adhere to the state requirements for child care subsidy eligibility. Those requirements specified, for example, that families need to be employed or enrolled in an education program working towards a certification.

Providers took on new roles to support onsite application for the grant subsidy. First, they had to make decisions about how to fill the slots. This included deciding whether to recruit new families from the community or approach existing families. Providers had options for approaching existing families. Under the grant requirements, they could recruit families who currently received a CAPS subsidy but had trouble paying the required co-payment and/or to recruit existing families who did not receive a CAPS subsidy.

To learn about experiences with these new roles, we asked providers how they determined which families could apply for the grant subsidy and how they informed families about the subsidy slots.

After providers recruited families to apply for the subsidy, they collected documentation to show that families met eligibility requirements (e.g. pay stubs and child's birth certificate). Providers reviewed the documentation to make sure families were eligible and then submitted it to DECAL. We asked providers to describe the steps they took to determine eligibility, which tasks they performed and which steps DECAL performed, what went well, and what challenges they experienced with onsite eligibility determination. We also asked if they had recommendations for how DECAL could improve training and support for the onsite application and eligibility determination process.

This section first presents findings regarding the recruitment process and then presents findings regarding eligibility determination.

Notifying families of the availability of the subsidy

About half of the providers limited their communication about the availability of grant subsidies to families of children already enrolled in their center. Others used a broad community outreach approach to notify families of the availability of the subsidies. Many of these providers collaborated with community organizations, such as the health department or churches, to reach interested families.

> "We partnered with the local board of health office where children go to get shots and where pregnant mothers go for maternity care and WIC. We also partnered with the local library."

Most of the providers who used the broad approach promoted the program through Facebook. A few providers said they used a flyer developed by DECAL.

Recruitment of families

Targeted approach – Several providers identified families who might be interested in the grant subsidy by examining information they had for families who were already enrolled. For example, they reported reviewing information about the number of hours families worked, identifying those who qualified for the food program or those whom the director knew were facing financial hardships. A few providers used a targeted approach to recruit specific new types of families. For instance, one program was successful in recruiting Hispanic children, whom the director described as a high-

> "My first step was to sit down and identify the families that were struggling to pay the family assessment fee. I also took the ones that were waiting for appointments with CAPS. I looked at my list of the parents that are coming and participating, and the families that were struggling to make payments."

need, underserved population in her community. The director used relationships with the health department and public school counselors to get the word out to Hispanic families who might be interested. There were a few providers who used a less targeted approach by accepting applications on a first-come, first-served basis.

CAPS status – Eighteen providers mentioned CAPS status when describing recruitment strategies for the new pilot program. About half stated that they prioritized families who were not currently receiving a CAPS subsidy. The remaining providers considered families who had difficulty with the CAPS co-payment fee, those who were on a CAPS waiting list, and those who had lost their CAPS subsidy and left the program.

New versus existing families – We asked providers how many families served by the grant were new to their child care program and how many were already enrolled. Twenty-six providers answered this question; sixty-one percent of the families impacted by the program were newly enrolled.

Figure 1. Percentage of new and existing families receiving Grant Pilot Program subsidies (n=26)

■ New families ■ Existing families
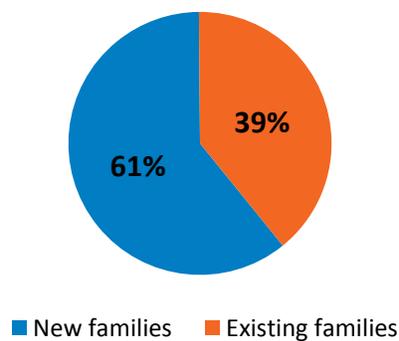
Responsibility for eligibility determination

When asked to describe the steps they took to determine families' eligibility for the subsidy, provider responses aligned with how DECAL staff described the process. That is, providers submitted the required information to DECAL and responded to requests for follow-up information from DECAL, and then the provider made the final eligibility determination.

Case-management role

Several providers described how their work with families through the eligibility determination process was like a case-management role. They said their daily interactions with parents offered a more personal approach to walking families

> "I did check in with families if it looked like something was off, like if they may have lost their job, because if you deal with the families every day, it's not like we're outsiders. It allows us to know more about the families and counsel the parents."

through the process. A few described their role as a "counselor" because they knew about families' specific situations.

Challenges with eligibility determination

Three quarters of providers described challenges they faced with eligibility determination. Several providers qualified their comments by saying they faced challenges in the beginning but have since found ways to address these challenges or have grown more comfortable in their new role. It also is worth noting that some providers did not describe any challenges, and a few commented that it was easy to determine eligibility.

Obtaining necessary documentation – Helping families find and bring in the required documentation was the biggest challenge. For example, providers described families' difficulties obtaining birth certificates, proof of address, or pay stubs. One provider purchased laptops so she could help families who didn't have an internet connection at home find documentation online. A few providers noted it would have been helpful to have more time for families to submit the necessary paperwork before the application period closed.

> "If we didn't have a paystub then we would have to get a letter from their employer, and that was difficult. It was the small and tedious things that were difficult … You have to take the time to work with individual people. For example, some people had trouble locating their paystubs and I had to go online and show them how to download them."

Applying eligibility requirements – Providers reported difficulties applying eligibility requirements to families' unique situations, such as documenting residence for a family who lived in a hotel or documenting income for self-employed parents. A few had trouble applying guidelines for parents who were in school. They weren't sure they had the right forms from the school or had trouble calculating the number of hours parents were enrolled.

Managing paperwork – Several providers described feeling overwhelmed in the beginning with managing the paperwork associated with eligibility determination. A few described how they found solutions, such as developing a system to organize their files.

Systemic challenges – Several providers noted challenges with eligibility determination that pertained to systemic issues. For example, a few described a gap in care for children during the months between their fourth birthday and the start of Georgia's Pre-K. Several providers found it hard when families applied for but did not receive the grant subsidy. One provider noted that it would be helpful to have information on other affordable care options that she could share with families who didn't qualify. A few providers offered reduced tuition when a child turned 4 and was no longer eligible for the grant subsidy.

Center requirements for families

Once families met the subsidy eligibility requirements, we were interested in learning if the center had additional requirements for families enrolled in the subsidy grant pilot. About half of the providers said they did not have requirements that did not apply to all children in their program. These providers explained that they didn't want to single out families who benefitted from the grant. Of the centers that had additional requirements, child attendance and participation in parent engagement activities were the main requirements. A few providers described how parent engagement opportunities they developed for subsidy grant pilot also became available to all families. Examples of family engagement requirements included:

> "We asked the families to come and read to the children once a month and we had family meetings for the entire center. While these were requirements for the families on the grant, they were advertised to all families."

- volunteering at the center,
- reading to children at the center,
- donating supplies,
- attending parent meetings,
- attending parent/teacher conferences,
- participating in the parent advisory committee,
- attending parent workshops, and
- engaging in teacher-planned child development activities at home.

Eligibility determination recommendations for the Georgia Department of Early Care and Learning

Overall, providers were very pleased with DECAL's support for the eligibility determination process. We most frequently heard that providers were pleasantly surprised at how available DECAL staff were to answer their questions. Providers also thought the training was thorough and helpful.

> "After we had the initial training everything was so smooth… They gave us all the necessary tools."

When asked if they had recommendations for how DECAL could improve support for the eligibility determination process, providers focused on three main topics: technical support and tools, training and guidance, and technical program requirements.

Technical support and tools – One provider suggested that an auto-reminder to submit the monthly roster would be helpful. Another provider recommended developing a system where families could submit their subsidy application online.

Training and guidance – One provider requested a follow-up training a month or so after the initial training. Another provider said the shared copy of the training slides did not include enough detail. She suggested including a recorded webinar or guidebook in addition to the training slides.

Technical program requirements – A few providers wanted to change the requirement to submit monthly rosters less frequently if there was no turnover in children who received the

grant subsidy. One provider said it would be helpful to waive the paystub requirement for newly hired parents, who did not have paystubs, and instead to get a letter from their employer. She said some parents were embarrassed to ask their employer for the letter.

Recommendations for other providers on eligibility determination

In addition to asking providers for recommendations for DECAL, we were interested in what advice they would give their peers who might be interested in applying for a similar grant.

Managing paperwork – Providers most frequently recommended that their peers set up an organizational system to manage the paperwork, particularly documents needed to support eligibility determination. A few providers said it was helpful to scan documents into computer files. Others mentioned using binders to organize paper files. One provider recommended having another set of eyes on application documents before sending them to DECAL. While some providers described the need to be flexible with families as they gathered all the necessary documentation, one provider said that to stay organized, she asked families to submit their application only when they had all their documents together in one packet.

> "Definitely be organized. Set up your files and use the DECAL checklist to make sure that you have everything in order. Make sure that your records are complete, not just for yourself but for DECAL in case they ever get audited. We had a separate binder that was specifically for the Quality Rated Subsidy Grant so that it didn't get mixed in with any other documentation."

Working with families and the community – Many providers offered recommendations for working with families and the community. One provider said her peers should allow time (and dedicated staff where feasible) to listen to families, as personal stories emerged during the eligibility determination process. Another provider counseled that peers will need to be willing to work with families on an individual basis, while accepting the difficulty of knowing that not every family will be approved for the subsidy. A few providers suggested subsidy grant offers the opportunity for their peers to get outside of their comfort zone and work with new community groups to reach families who could benefit from the subsidy.

> "Be willing to work with the parents. Understand that we have to get the paperwork in, but we also have to look at families' individual circumstances."

Use of Grant-Supported Financial Resources

Because the reimbursement rate for Quality Rated Subsidy Grant Pilot Program subsidies was substantially higher than the standard CAPS reimbursement rate, DECAL was especially interested in learning how programs used the funds. We asked providers how they made decisions to use grant funds and how resources were used. We also asked if they had recommendations for DECAL or their peers on the use of Quality Rated Subsidy Grant Pilot Program financial resources.

Decision-making process for how grant funds were used

When asked how they made decisions about the use of grant funds, provider responses fell into three categories: an examination of their organization's needs, discussions with leadership groups, and referencing the guidelines associated with the Quality Rated system.

Examined specific needs – Many providers looked at specific needs within their center. Some considered needs identified by teachers. Others saw the need to dedicate resources for an entire classroom, such as an infant/toddler class. Two providers described using Environmental Rating Scale scores to identify gaps where funds could strengthen classroom quality.

Discussed with leadership groups – Five for-profit center directors said decisions about using grant funds were made in collaboration with a district manager. One nonprofit center director discussed the use of grant funds with the center's board of directors. Two nonprofit center directors described making decisions with other management staff, such as a co-director.

DECAL guidance – A few providers said they used guidelines from "the state" or a guide from DECAL's website to decide which materials to purchase.

Use of financial resources

Figure 2 shows the various ways in which grant resources were used. Forty-three percent of providers (n=12) reported using grant resources in more than one category. For example, some used resources for both operating expenses and to support professional development for teachers. Twenty providers used grant funds to support quality; eight providers used grant funds for general operating expenses. Eight providers exclusively used funds for materials. Nine providers used funds for both materials and quality supports, most notably for professional

> "It was a benefit to provide child care at real rates. Comparing costs of running our program…there is a deficiency. The extra money helped us run our program at its true cost. We used funds for materials and teacher development."

development. Four providers used funds exclusively for general operating expenses. Four providers used funds for operating expenses as well as quality supports, such as hiring new staff and professional development.

Figure 2. Provider use of resources (n=25)

Percent of providers using funds in each resource category

Category	Value
New staff hires	11%
Family engagement events	18%
Staff pay increases	25%
Professional development	29%
General operating expenses	29%
Materials	61%
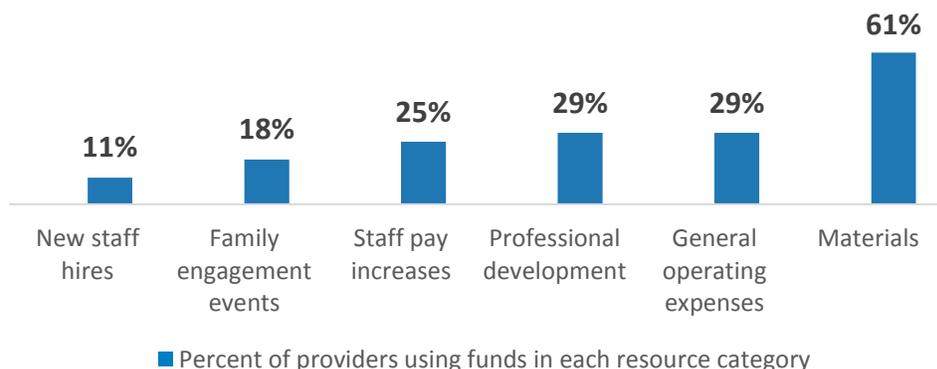
Examples of materials include items such as: purchase of the Ages and Stages developmental screening tool, iPads for teachers, playground equipment, art supplies, fencing, and books. Examples of family engagement events include parent workshops on nutrition or budgeting, community events, and a luncheon for fathers.

Recommendations for DECAL support for provider use of grant resources

Three providers thought it would be helpful to have guidance from DECAL on how to use grant funds. One provider thought the guidance should include how to assess needs and use data to inform resource allocations; another thought DECAL advice should include how to use resources for field trips or enrichment experiences that families could not afford.

Recommendations for other providers on use of grant resources

More providers offered recommendations for how their peers might use grant resources. Four providers thought funds should be used for quality improvement or for increasing/maintaining their Quality Rating level. Other quality support suggestions included using the funds for teacher training, teacher salaries, and supplies needed for the Quality Rating level. Four providers advised that funds should be used to support family engagement efforts. Two providers thought funds should be used to keep the program running, especially for smaller centers.

> "If I were them, I would do the things that they hadn't been doing for Quality Rated in order to increase their star rating."

Reported Changes in the Child Care Program

We asked providers if they noticed changes in their child care program after participating in the subsidy grant pilot. Twenty-six providers reported some type of change, while two providers said there were no changes. Most providers described one of two types of changes: those at the center level or those related to families. Thirty-five percent of providers described both center and family-level changes. Four providers described changes related to children.

Reported changes at the center level

More than half (n=16) of the providers noted a center-level change. Several (n=6) reported more than one center-level change. Types of reported changes included:

- increased enrollment,
- improved teacher quality due to more training opportunities,
- improved teacher salaries,
- improved ability to cover program expenses,
- new teachers hired, and
- reduced teacher turnover.

> "The quality got a little bit better because we are able to serve more families and able to spend more time training our teachers. The changes in program quality were all a result of the changes in teacher quality."

When we looked more closely at the providers who reported center-level changes, 68 percent described changes related to teachers. For example, centers increased teacher pay, which allowed them to hire teachers who had an early childhood degree or a Child Development Associate (CDA) credential. Half of the providers reported increases in enrollment; four of those responses included comments on how the grant improved the diversity of their student population.

> "Overall the morale of parents changed… They were not stressed about having to pay child care fees. These parents also started interacting with our staff more. They also had conversations with other parents who might not be in this program as far as what is expected of a quality program."

Reported changes relating to families

More than half (n=16) of the providers reported changes in how families engaged with their program. Several providers (n=5) reported more than one change related to families. Many providers said their relationships with families improved. Some providers described how families experienced a decrease in stress after receiving the grant subsidy, while others saw an increase in parents who volunteered at the center.

Many providers described how the grant led to visible changes for families who faced financial hardships. For example, one provider said the grant subsidy helped a homeless mother maintain employment and think about going to school to help her get a better job. One provider said the grant provided a few parents better job opportunities or more hours at work because they now could afford child care. Another provider said a mother broke into tears because her child was able to attend a clean, quality facility, something she was unable to afford previously.

Reported changes relating to children

Four providers commented that they noticed a change in the stability of enrollment. These providers described their child population as very transient, and the grant afforded more stable placement. A few providers commented that the program offered children the opportunity to receive care in a higher-quality setting.

> "It's been a very helpful program, especially because a lot of times parents who are in this program might not be able to choose my center, which is a Quality Rated center. They would've been more likely to place their children in homes or with family members."

Feedback on Infant Subsidy Classroom Strategy

If there was additional time during the interview, we sought providers' general feedback about a new strategy DECAL was considering. The new strategy provides grants to support an entire infant classroom, much like DECAL's support for Georgia's Pre-K classrooms. The Quality Rated Subsidy Grant Pilot Program supports child care subsidies for children of varying ages who may receive care in different classrooms. In comparison, the new strategy provides grants to support an entire classroom for one age group. Twelve providers offered feedback on this strategy. Most of their responses were favorable, though a few did not endorse this approach.

Several providers shared concerns, including those who favored the approach. Most were concerned about creating a classroom where all the children would be from families with fewer economic resources. Others were concerned about not having enough physical space to create a new classroom and missing an opportunity to help families with children in other age groups.

Recommendations for DECAL

Based on what we learned from providers about their experiences with the Quality Rated Subsidy Grant Pilot Program, we recommend the following:

1. **Continue offering training and tools.** Overall, providers found the training and tools to be very helpful. There were only a few small suggestions for improving the training. For example, providers recommended including more clarification on types of documentation families could obtain, or guidance for how often to check in with parents about changes in their employment status.

2. **Capitalize on providers' recommendations for their peers.** This report includes multiple recommendations that providers offered for their peers. They had tips for how to organize paperwork and advice for how to work with families. DECAL can consider asking providers to help with training or incorporate their suggestions into training content.

3. **Address provider concerns about eligibility requirements for families.** While DECAL may not be able to change eligibility requirements for families, DECAL could add content to the training that validates providers' feelings about not being able to help all families. For example, the training could include a description of one or two providers' experiences when families did not qualify for the grant subsidy. The training could provide guidance on how to present the program to families. Trainers also could recommend ways in which providers might assist families who are found not to be eligible or who lose eligibility but still struggle with paying for care.

4. **DECAL can consider adding guidance to the Quality Rated Subsidy Grant Pilot Program for how grant resources are used.** DECAL staff were interested in ensuring grant resources were used to both promote fiscal stability for high-quality programs that serve children who receive subsidies and to improve quality. Our finding that 70 percent of the providers used

resources for quality support activities suggest that, if DECAL was interested in adding a requirement that funds should be used to support program quality, most future providers could meet it.

5. **Consider continuing or expanding the Quality Rated Subsidy Grant Pilot Program.** The program has multiple goals that align with factors that positively impact children's early experiences. The pilot program's goals included increased access to quality child care and improved parent engagement with their child's early learning program. Participating provider comments suggest that the subsidy grant pilot succeeded in meeting these goals. Providers described how the grant brought new families to their center, thus improving access. They noted that grant resources were important for their program's financial stability. They used funds to support quality and reported some improvements in quality. Providers said the grant helped improve family engagement with their center. In sum, providers' experiences aligned with the subsidy grant pilot goals and suggest that it may be useful to consider continuing or expanding the program.

6. **Given the positive findings from this study, consider collecting additional evidence to inform future directions for onsite child care subsidy eligibility determination.** If DECAL elects to expand this pilot, it might be useful to collect additional information on topics such as: experiences of families receiving child care through the subsidy grant; cost-savings associated with this approach; and the quality of newly enrolled children's previous early care experiences. The latter could provide a way to determine if the pilot improved access to quality care.

> *All the families have been very appreciative and very willing to do what we ask of them. I think it would be good for DECAL to do an exit survey once they leave because these families were able to stay more stable with the grant, so [getting feedback] might be worth doing. It would be good for the state to know that this grant is worthwhile.*

This investigation sought to learn about providers' experiences with the subsidy grant pilot. We learned that while many providers faced challenges with helping families obtain required documents to show their child was eligible for the grant's child care subsidy, their overall experience was positive. For example, many providers used grant funds to support the quality of their child care program, and many providers described instances where the families receiving these subsidies engaged more frequently or more deeply with their programs. These learnings from providers' experiences can inform DECAL's future efforts to utilize a grant funding model in the CCDF child care subsidy system.

Appendix A: Interview Protocol

Interview Date:
Center Name:
Name and Title of Person Interviewed:

Thank you for taking the time to talk with us about the Quality Rated Subsidy Grant Pilot Program. In this phone call, we are hoping to learn more about your experiences participating in the QR Subsidy Grant program.

Before we start, I want to emphasize your answers to the interview questions are confidential. We will not associate your name with any responses. Our report will include general themes or information that will be important in reviewing the program as well as planning and implementing the next phase of the QR Subsidy Grants.

In total, there are about six to eight topics we would like to discuss related to your experiences with the program. Please know I may ask you to pause while we capture your comments in our notes. To help clarify our notes, we were also hoping to record this conversation. The recording would only be used to ensure that we correctly capture your responses and would remain confidential. Are you okay with having the phone conversation recorded?

Initial interest
We're interested in learning why you participated in the QR Subsidy Grant program.
1. What led you to participate. Why were you initially interested?

Onsite eligibility determination
We're interested in learning about your experiences with determining subsidy eligibility onsite at your center.
2. What was your role in determining eligibility? Did you work directly with families to determine eligibility or did you serve in an oversight role as a director or other capacity?

    a. If they *didn't directly work with families* to determine eligibility:
    -   Who in your center worked directly with families to determine eligibility?
    -   What were your impressions of how it went?

    b. If they *worked directly with families* to determine eligibility,
    -   How would you describe, in your own words, the steps of the onsite eligibility process?
    -   Which of these steps did you perform, and which, if any, did DECAL perform?
    -   What about the onsite process for determining eligibility went well?
    -   What could be improved?

Working with families
3. How did you determine which families could apply for subsidies onsite?
4. How did you communicate with families about the subsidy slots? How did you describe the subsidy and how did you get the word out?
5. Were there any requirements tied to the subsidies? For example, did families have to volunteer or have a certain level of attendance?
6. In the first year you received the grant, how many slots went to existing families and how many went to families who were new to your center? After the first year, did any slots go to families who weren't already enrolled in your center? If yes, how many? Estimate if you don't know exact numbers.

Financial resources
We understand that the subsidy reimbursement rate for the QR Subsidy Grant was significantly higher than the standard rate. We're interested in learning about your experiences with the additional financial resources component of the QR Subsidy Grant.

7. Please describe how resources were used. If you do not know, who would be a good person to talk to about fund allocation? What was the decision-making process for use of the resources? What type of guidance, if any, would be helpful from DECAL on use of the additional resources?
8. Any recommendations for other programs on use of the additional resources?

Program changes
9. We're interested in learning if you noticed any changes in your program, staff, or the families you serve after participating in the QR Subsidy Grant. What types of changes, if any, did you notice?

Possible change areas to probe:
- Overall financial stability; if yes please describe.
- Staff/teacher turnover or ability to hire and pay teachers with higher level of training/education
- Ability to create new jobs by hiring new teachers or other staff
- Family/child turnover
- Improvements in your program's relationships with families
- Program quality

Advice for your peers and recommendations for DECAL
10. We are interested in learning more about recommendations and/or advice you have.
    a. What recommendations do you have for other centers who are just starting to participate in the subsidy grant program? What would be helpful for directors and/or staff to know?
       - Thinking back on what you may have expected at the beginning of the program, how would you counsel other directors/staff on what to expect?
    b. What was the most difficult part of the subsidy grant program and what would be your solution?
    c. What type of support and guidance would be helpful from DECAL?
       - Tell us how trainings for how to determine eligibility can be improved.

Overall learning and recommendations
11. We're interested in your overall impressions, learnings, and recommendations for the future innovations with use of subsidy resources:
    a. Did this new subsidy model provide your program or the families you serve with any new opportunities? If yes, describe.
    b. Do you feel overall this approach is worthwhile? Why or why not?
    c. Any other learnings or recommendations you'd like to share?

Note: If you are able to summarize what they may have perceived as the goal for QR Subsidy Grant Program based on their responses, say: We're interested in knowing what providers thought about goals for the QR Subsidy Grant Program. It sounds like you perceived the goal for the program was… Is this correct?

Future directions
Note: If the interview has taken too long or the provider appears ready to end the interview, it is okay to skip this last question.
13. Going forward, DECAL is considering offering subsidy grants for the purpose of supporting or partially supporting an entire classroom, versus payment for the placement of individual children. What do you think of this approach?

Thank you for taking the time to speak with us today about your experiences with the subsidy grant program. Your thoughts have been incredibly useful, and we appreciate you taking the time out of your day to share them with us.

If you would like, we can send our interview notes for you to review to ensure we have accurately reflected your experiences. Would you be interested in receiving a copy of our notes for you to review?

Thank you.

Appendix B: Methodology: Data Collection, Demographics and Analytic Approach

Data collection

DECAL provided Child Trends a list of the child care centers that received a Quality Rated Subsidy Grant Pilot Program grant. We contacted the center directors via email to invite them to participate in the interview. We invited 35 centers to participate; 28 centers agreed to participate for a response rate of 80 percent. We followed up with non-responders with two emails and one phone call. Seven centers did not respond to our attempts to reach them. Of the seven centers that did not respond, four experienced director turnover after the grant was awarded. It is possible their lack of experience with issues covered in the interview (e.g., the initial training and establishment of procedures) contributed to their non-responsiveness.

A Child Trends research team member conducted the interviews via telephone, and a Child Trends research assistant took notes during the call. Interviews lasted 45 to 60 minutes. Participants were asked for verbal permission to record the interviews for the purposes of reviewing the notes for accuracy. When permission was granted, the interviews were recorded. Interview participants were offered the opportunity to review notes for accuracy, and most providers reviewed the notes.

Center characteristics

Table 2 describes characteristics of the 35 centers who participated in the subsidy grant pilot and characteristics of the 28 Quality Rated Subsidy Grant centers who participated in the interviews.

Table 2. Characteristics of Quality Rated Subsidy Grant centers

	Characteristics of the 35 Quality Rated Subsidy Grant centers		Characteristics of the 28 interviewed Quality Rated Subsidy Grant centers	
	N	Percent	N	Percent
Quality rating				
Two-star	21	60%	15	54%
Three-star	14	40%	13	46%
For-profit status				
For-profit chain or franchise	15	43%	11	39%
Not-for-profit chain or franchise	20	57%	17	61%
Funding round[4]				
Round 1 grantees	12	34%	10	36%
Round 2 grantees	23	66%	18	64%
Additional center funding[5]				
Pre-K	31	89%	24	86%
Early Head Start	5	14%	4	14%

Analytic approach

Our analytic approach included two steps. First, we used a directed content approach,[6] where we used the framework of the interview questions to identify broad topics. We then identified sub-categories of common responses that fell within these topics. For example, we identified the broad topic of how providers recruited families and then identified two sub-categories of common responses: (1) some providers used a targeted approach to recruitment; and (2) many considered CAPS status.

In the second step, we adopted a summative approach,[6] where we used Dedoose, a qualitative analytic application, to code provider responses using the broad topical themes and associated sub-categories as the code structure. Two members of the Child Trends team double-coded five interviews and identified further refinements to the code structure. After refining the code structure, one staff member coded the remaining interviews. Once the coding was completed, we tallied the number of responses that fell within the identified sub-categories. An example of this approach includes summing the number of responses for categories of how grant-related resources were used.

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[4] Round 1 grantees began receiving funds in 2015; Round 2 grantees began receiving funds in 2016.
[5] Centers could receive Georgia's Pre-K funds, Early Head Start funds, both, or neither.
[6] Hsieh, HF and Shannon, SE. Three approaches to qualitative content analysis. Qualitative Health Research. 2005 Nov;15(9):1277-88