



# **THE UNREALIZED POTENTIAL OF CHILD CARE SCHOLARSHIP IN MARYLAND:**

**What the providers told us.**

September 2022

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**This report is a joint effort on behalf of the following:**



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# Background

In February 2022, a collection of Maryland child care partners hosted two virtual town halls for 183 family and center based child care providers across the state of Maryland to develop a better understanding of the opportunities for improvement of providers' experience with the Child Care Scholarship (CCS) program's processes, requirements, and overall program design. The CCS program provides financial assistance for child care to families who meet the program's income eligibility requirements and are working, in an approved training program, or attending school. Participating licensed and registered child care programs must participate in Maryland EXCELS, the state quality rating and improvement system, to participate in the CCS program.

These town halls are part of an ongoing collaborative effort to address systemic barriers to affordable, high quality child care in the state of Maryland, and the challenge of equitable access to state resources via Maryland State Department of Education's (MSDE) CCS program.

Fixing this process will open the doors to opportunity for more providers, parents, and children. This outdated process is unintentionally widening the gap of what is already an inequitable system of early care and education in Maryland. It is not hyperbole to suggest that fixing this process would also give an economic boost to some of our state's poorest communities and even change the futures for countless children who, due to a cumbersome process of applications and reimbursements, are being relegated to unsafe, unequal, and possibly illegal care.

## Town Hall Design

The virtual town halls featured English and Spanish breakout rooms, facilitated by nearly 40 partner organization volunteers and staff from the Maryland Child Care Resource Network (the collective of local child care resource centers), where providers could share their experiences in serving families who qualify for CCS, challenges in accessing CCS dollars, insights about bright spots and opportunities for improvement to help both their businesses and more importantly, the families they serve.

Participants were organized into small break-out rooms of approximately 5-7 people, and asked five open ended questions:

- Which pain points around the CCS program do you think is most critical to be addressed immediately and why?
- In what ways do these issues mentioned impact you as a business professional? As a person?
- What specific things do you want to see change about the program or how it's administered? What ideas do you have to improve the program?
- What would change for you, your business if these issues you articulated earlier were addressed?
- Is there anything you'd wish to mention that we didn't have the opportunity to discuss today?

Facilitators were trained to probe for context, examples, rationale for answers as needed, and make sure that each participant in the group had a chance to speak if they wished. We communicated that we were taking notes, but would not identify any participant by name, nor were we recording the sessions. Participants were encouraged to speak freely without fear of sounding impolite or too negative. By design, the Maryland State Department of Education (MSDE) was not present in these sessions and did not have the opportunity to respond in real time. The content of this report captures participant sentiments (and at times, raw emotions) as they were shared, without filtering or heavy editing on content or tone.

## Participant Demographics & Data

The perspectives and insights included **183 total child care providers** representing **18 of 24 counties/jurisdictions** in Maryland were heard over the course of two listening sessions. Of the overall participants, 43% represented center-based care, and 57% represented family-based care. The businesses represented by the 183 attending providers supply child care services to approximately 6,300 children across the State of Maryland.

## Virtual Town Hall Sponsors

**Baltimore City Child Care Coalition**

**Service Employees International Union Local 500**

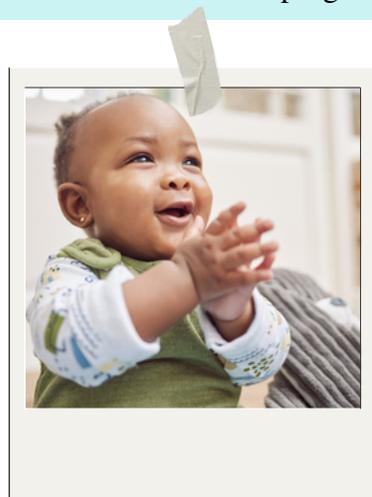
**The Family Tree: Baltimore City Child Care Resource Center**

**Maryland Family Network**

**Maryland State Child Care Association**

**Maryland State Family Child Care Association**

Maryland's child care provider community has expressed a real desire to continue to be involved in the dialogue around CCS, and to continue to offer their knowledge and insights related to how to make high quality child care readily available and easily accessible to all families in Maryland who need it. There is also interest by providers to engage families in a similar convening like the virtual town hall to gather their experience, insights, and perspectives about the CCS program.



# What We Learned

The following section highlights the pain points raised most frequently and consistently by town hall participants.

Providers spoke at length about their challenging experiences with CCS and the impact this has had on their businesses and on their personal well-being. The challenges from the beginning of the application process to the lack of support and subsequent payment delays and issues have a compounding effect that weighs heavily on providers and the families they serve, but especially those who they are not able to serve because of these additional burdens.

## Poor Communications and Customer Service

### Poor Communications & Customer Service

Lack of clarity on who to contact or where to go to ask questions or resolve issues. For example the voucher program support phone number lists an incorrect number where callers are being told to provide sensitive information and payments to enter into a raffle.

Difficulties in reaching MSDE’s customer service vendor by phone. Once reached, participants have experienced rudeness and a lack of interest by the vendor in helping callers solve problems.

There is an apparent lack of understanding of the program and limited ability to assist callers and a lack of supervisor availability when more help is required.

Information and guidance released intended to reduce call volume often feels unclear and causes more confusion.

### Unpredictable Payment Timelines & Opaque Invoicing Process

Unpredictable payment timelines with little to no communication or status updates from MSDE. Wait times have been reported to range from “weeks to months.”

Reimbursements do not include identifying information for the child/children receiving vouchers, and in the frequent cases where the reimbursement amount does not match the provider’s records, providers have to spend additional time trying to reconcile records or contacting MSDE’s customer service vendor to resolve.



## Application Process is Complicated and Cumbersome for Families

Difficulty navigating the complicated paperwork, requirements, and process under CCS.

Paper-driven process is outdated, cumbersome and error-prone, requiring parents to download, print, fill out, scan, then submit application documents in PDF, but some families may not have immediate access to computers, printers, or scanners.

Families are often lost in the shuffle of delayed communication, lost mail, or inconsistent documentation from the CCS staff during the application and renewal processes.

When families do not complete their applications correctly or are missing information because of unrealistic requirements or the lack of clear instructions, no one from MSDE's customer service vendor proactively reaches out to the provider or families to obtain missing information or documentation until it is too late to make a correction. Some of the major challenges families face during the CCS application process are:

- Single parents who can't locate the other parent for the child support issue;
- Requiring the signature of parent who does not reside in household;
- Requiring copy of death certificate for deceased parent;
- Requiring new paystubs for a new year when already in program;
- No place on application for parents to indicate if their child is in before or after school care only.

Open applications expire after a 30-day period and families must start the process over if the application has not been marked as complete within the time period.



## **Providers Are Absorbing the Burden and Risk in Taking on CCS Eligible Families**

**Enrolling before CCS approval:** If a provider accepts a child that later gets denied by CCS, they could lose income if the parent can't afford the full price of care that was provided. Some providers make payment arrangements with parents to pay in cash until their CCS applications are approved and reimburse parents the cash they paid when the applications are approved.

**Waiting for CCS approval:** If a provider waits for the parent to get officially enrolled before accepting the child, they may have to reject other children and be under enrolled while they hold the CCS applicants' slot. The family could also decide to find alternative childcare arrangements if CCS is already approved for another child in the same family. If CCS doesn't accept the child immediately, the days can count towards the 60-day max of allowable absence.

**CCS rejection:** If a CCS applicant is rejected, the provider may have to unfairly be the bearer of bad news and inform parents of the CCS denial which creates an additional emotional burden and damage to the provider's business reputation.

## **Lack of Outreach and Support Resources for Families in Greatest Need**

Lack of resources to support families speaking languages other than English, particularly those speaking Spanish.

Providers often step in attempting to contact MSDE's customer service vendor on their behalf, reporting hours spent on the phone attempting to get answers and resolution on behalf of their families.

Providers themselves are not "experts" on MSDE's customer service vendor's application process, but often find themselves as the primary resource to families who are struggling to get their applications approved.

There are far more families in their communities who are eligible for CCS, many of whom are non-English speaking, totally unaware that such a program exists, or if they are aware, have shied away from applying because they did not understand the process.



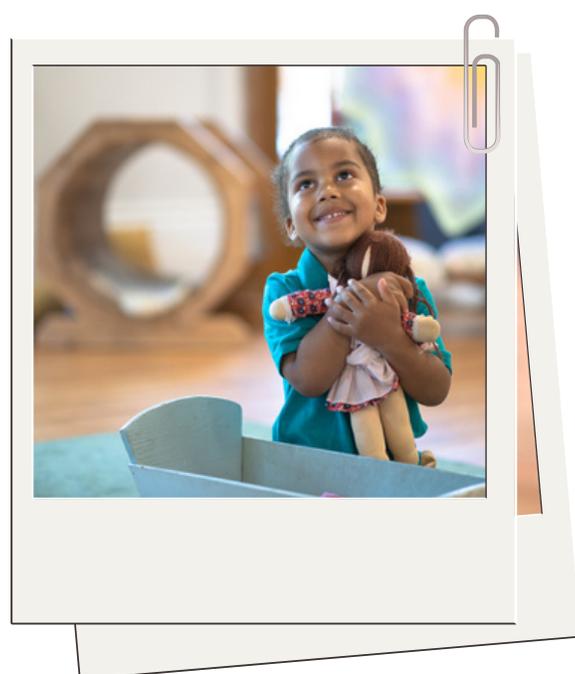
**The following section provides insights as to how the CCS program has had a negative impact on providers.**

Overall, the participants communicated a sense of **mistrust and lack of faith** in MSDE’s desire or ability to support helping make child care affordable for families in their communities. Many conveyed that they feel dismissed or disrespected by MSDE staff, citing communications that have felt “rude” and “dismissive”. Providers shared they fear being targeted by MSDE (payments deprioritized, or increased attendance audits) in cases where they’ve raised their concerns about CCS. Audits are not systematic or flexible and tend to cost providers valuable time and resources that could be spent on serving the children in their care.

For family providers in particular, participants pointed out that the **disproportionate amount of time and energy they spend trying to decipher and navigate the invoicing process** is an unreasonable expectation for any small business, let alone a business where the CEO is also the Director, accountant, janitor,

groundskeeper, Human Resources, marketer, as well as the Educator/Caregiver. The amount of time required to resolve CCS issues requires employees to work far beyond traditional schedules in order to keep up. Family child care providers are disproportionately stressed and strained by requests like this. Providers reported that MSDE hosts too many meetings, but these meetings do not provide the transparency, information or action needed to resolve their issues or concerns. At times, they feel these meetings cause more confusion than clarity because there is only one-way communication, creating even greater burdens on providers.

Participants who reported late payments by MSDE spoke not only about the amount of time they were spending trying to manage finances, but the **stress they felt as business owners with the sheer unpredictability of payments** (when they’d get paid by MSDE, and even in some cases, how much they’d get paid). Participants representing both family and center providers indicated that because they still needed to pay their staff, or did not want to turn away families, they were absorbing child care fees for undetermined periods of time while they waited for reimbursements, or their families waiting on approval, with no clear communication from MSDE as to when either would happen. Many participants shared that they’ve taken loans, dipped into personal savings, and oftentimes just lost money in the last 12 months due to the unreliability of the CCS program. Many child care programs are wrestling with the decision to close their business due to financial difficulties which are not of their making. These closures will negatively impact the families and children who must seek new care, violating a core tenet of early care which seeks continuity of care for all children.



Participants who consistently cited the unpredictability of the CCS application process for families indicated that the prospect of MSDE rejecting or delaying notification about an application is a huge deterrent to continue to accept families eligible for CCS. This **creates an unequal child care system in Maryland where the poorest families, which are disproportionately people of color, are left with unsafe and often illegal options** for care. In some cases, parents are waiting upwards of four months to hear back on the status of their CCS application even though it's only supposed to take 30 days. Providers are bearing all of the risk when they are approached by a family that may be considering applying for the CCS program.

The challenges providers are experiencing with CCS affect providers mentally and emotionally. Some participants have stated how mentally, emotionally and physically drained they are due to dealing with the inconsistency of the CCS system and the constant fear of having to work without being paid or provide services without being reimbursed by the state. Some have shared how devastating it feels turning away families in need of child care. They find it frustrating to know the funding is there, but they are facing so many roadblocks in order to receive it.

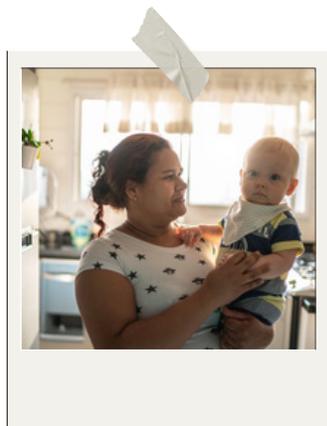
**The following section elevates the ideas for change that participants had to improve the CCS program.**

The overwhelming majority of participants stated that if real changes were made to address the challenges they've cited, in line with the recommendations they'd provided, they would be in a significantly stronger financial position and not be at continual risk of having to close down their businesses. They believe that if the CCS process could be simplified, more transparent, more customer-centric in the immediate term, then they could serve a much larger portion of low-income families in their communities.



## MSDE Staff and Customer Service

- **Ensure staff are thoroughly trained** on CCS policies/procedures and troubleshooting customer application and invoice issues.
- **Add additional staff resources to MSDE's customer service center** so that callers have a high likelihood of reaching someone by phone.
- **Extend customer service hours to outside the business day**, as most providers have little time in the business day while they're with children to sit down and address financial issues.
- **Expand communication channels (i.e. hotline, online chat, in person events)** that better accommodate the diverse customer needs.
- **Dedicate resources to support non-English speaking families** throughout the CCS process.
- **Revisit and revise the goals and contract objectives of MSDE's customer service vendor** (e.g. applications are auto rejected after 30 days then the applicant has to restart the process) to ensure the vendor prioritizes meeting the needs of families and providers.
- **Consider replacing MSDE's customer service vendor with full time MSDE staff**, to have greater visibility and accountability over the CCS process.
- **Empower providers as partners in the CCS process.** Refer to effective practices of child care programming in other states to reexamine the role of providers and acknowledge their power in the CCS process.
- **Invest in more resources for targeted outreach in communities** where there are many families eligible for CCS but may not be aware of it or how to begin the process.



## Invoicing and Payments

- **Move to weekly invoice reimbursement**, in line with how many family and center-based businesses manage their tuition and payroll.
- **Include on reimbursement statements identifying information on the child**, rather than just listing the amount, so that providers are not having to invest additional time doing detective work of matching exact dollar amounts in MSDE’s system to their own.
- **Base reimbursements on enrollment rather than attendance**, as providers are still responsible for paying their staff, holding the child’s space open (rather than filling it) when a child is absent.
- **Expand back payments to the date of the original parent application** that has expired instead of the most recent application to account for care that may have been provided during the application period.

## Application and Invoicing Process

- **Streamline application and invoice reimbursement process.**
- **Enable parents and providers to complete every step electronically** as opposed to on paper. Eliminate paper mail and instead send confirmation emails with details of the submission and expectations of response timeline.
- **Create a tracking system for applications and invoicing**, one that allows families and providers to look up the status of their application or invoice, and see real time updates on progress, or be alerted of issues, missing information or mistakes needing to be resolved in order for the process to move forward.
- **Assign an MSDE “caseworker” to be responsible for managing each case**, from application through invoicing, was another idea put forward.
- **Allow families to sign an information release** so their providers can provide support in the CCS process on their behalf.



## Other Change Ideas

- **Cap attendance audits at two per year**, because of the time and resource-intensive nature of them on the part of providers.
- **Allow for “temporary vouchers”** that allow families to begin receiving care once they have submitted their applications to MSDE and were awaiting approval. This would allow parents needing child care to begin working without risking losing their space.
- **Remove the requirement for single parents to need sign-off from the other parent**, which can be a tremendous burden on that parent and discriminatory towards the situation of many parents who need CCS.
- **Make the application process simpler for multi-child families**, having the opportunity to amend their application rather than start the process over entirely.
- **Administer customer service surveys quarterly or more often** for both parents and child care providers to determine improvement and level of accountability.



## Considerations for MSDE

Conducting the Maryland child care provider community town hall was an extremely informative and humbling experience. The opportunity to talk to and learn from over 250 providers across the state has provided a wealth of information that will allow MSDE and supporting partners to make improvements to its CCS program driven by the needs of the community, as the community sees those needs to be. Opportunities for intervention in order to make a significant and sustained improvement to increasing access to high quality, affordable child care in Maryland include:

### Modernize the CCS application and invoicing approval process.

- MSDE's current reliance on paper limits its ability to process applications and invoices in a timely fashion, leading to unnecessary delays, lapses in communication, and missed opportunities for prompt troubleshooting or issue resolution. Enabling each step of the process to be completed electronically, by computer or smartphone, can alleviate some of the burden on families and providers in submitting required information, improves access for a large number of families, and allows for real time processing and the ability to flag issues that need to be addressed in a much shorter time frame. The existing attempts to make the process electronic (i.e. Google Forms) reinforce the importance of the security of any electronic aspects of the process.

Consider redesigning all forms and instructions to address:

- Vocabulary use and complexity,
- Accessibility for speakers of other languages,
- Provider feedback, and
- Common mistakes made by families and providers.



## **Create an online communication system to track cases, payments, applications, scholarship status, attendance, & approvals.**

Currently families and providers have no ability to learn the status of their applications or payments without calling MSDE's customer service vendor directly. Having all of this information in one area would allow providers, families, and CCS staff to be on the same page regarding student statuses and provider payments. This would be the primary method of communication and case notes would be easily tracked based on the portal activity. Instead of building an entirely new system to replace the full scope of the CCS process, consider using an API bridge to connect data across different systems, since providers are already incentivized to use other established platforms.

Any new communication system should be built in partnership and tested with end users such as providers and families to identify early adopters and ensure the design meets their needs. These users should represent diverse cultural backgrounds to ensure the needs of the entire community are met. Going forward, training on the communication system should be incorporated into the orientation process for new providers.

As an added benefit, the new system would likely alleviate some of the heavy reliance on a live representative from MSDE's customer service vendor, if many of the issues/steps to resolution can be conveyed through this tracking system. Families should have the option of granting access to the system to engage on their behalf. Mailing documents or time-sensitive paperwork should be the last result as it causes hold-ups and the potential for more wasted time down the road.

## **Invest resources in building the knowledge and capacity of the CCS customer service team.**

Family members and providers need to be able to reach support and receive relevant information relating to their individual issues with the program. Providers should be able to reach a representative within standard hours and receive most, if not all, of the assistance they require. Customer service should be available via a hotline, online chat, or similar venue for parents and providers to communicate with CCS. MSDE support should be customer-centered, and staff training should cover not only CCS policies and procedures, but also the common scenarios and challenges different groups in their community might be experiencing (center vs. family providers, small vs. chain businesses, rural vs. urban, Spanish-speaking vs. English-speaking, etc.). The office should also be held accountable to key performance metrics around response time/issue resolution and customer satisfaction.

Provide a customer service phone bank open 8-10 am and then 3-6 pm (or vary times by day and have weekly "late nights") to ensure phone calls are answered and that families and providers have access to interpreters to support and clarify information to be successful.

It will be important to capture data through accountability surveys from families and providers to capture feedback about improvement initiatives and the experience of end users on an ongoing basis to ensure the goals and objectives of the improvement are being met.

**Examine policies and practices that may unintentionally create barriers or exclude people from participating in the CCS, particularly those who have been historically marginalized.**

In the process of improving access and utilization of CCS, MSDE has the opportunity to **engage families and providers in the redesign of key components of CCS** to ensure aspects of the application and renewal processes that perpetuate inequities and barriers are eliminated. MSDE would benefit in better understanding the experiences, needs and unique contexts of different types of families and providers who would benefit from the CCS program, and examine the impact certain policies have on access and utilization. Even in cases where certain requirements are mandated by federal guidelines, MSDE can support providers and families in navigating these guidelines in a way that does not create additional barriers. Policies and requirements to consider altering:

- Requiring the signature of both parents regardless of marital or household status;
- Requiring death certificates of deceased parents;
- Requiring new paystubs for a new year when already in program;
- The complexity of language in the paper application and print resources/communications that make the CCS process and requirements appear more complicated and cumbersome than they need to be;
- The level of dedicated outreach or support to non-English speaking and immigrant families;
- The 60-day attendance policy particularly during COVID, where low-income and families of color have been disproportionately impacted;
- The calculation of ‘units of care’ often does not meet the needs of parents or providers.



## Treat child care providers as MSDE’s partners in CCS, rather than third-party vendors.

Providers could be leveraged as resources to elevate the CCS program and support families in accessing the CCS program. MSDE could utilize technology to share information with parents, providers, and CCS throughout the process, so they can work in partnership with one another. This would allow providers to see which families are eligible, who has had their benefits turned off, if families are in progress, and what is missing/needed rather than wait on the current system. Being empowered in this way would enable providers to engage the community proactively to build awareness about CCS and provide initial application support to those families. There are more providers than CCS staff and they can be utilized to provide additional capacity and support to families. This will cut down on confusion and additional work that is created for providers.

Beyond this, there is also interest in convening an advisory council, including representation by someone on the state board and attended by MSDE staff, but led by stakeholders comprised of state level intermediaries, local child care associations, providers and parents.

Maryland’s child care provider community has expressed a real desire to continue to be involved in the dialogue around CCS, and to continue to offer their knowledge and insights related to how to make high quality child care readily available and easily accessible to all families in Maryland who need it. There is also interest by providers to engage families in a similar convening like the virtual town hall to gather their experience, insights, and perspectives about the CCS program.



## Appendix A: Town Hall Facilitators & Notetakers

- Alethia McCaskill, SEIU Local 500
- Brandi Walker, Baltimore City Child Care Resource Center
- Cheryl Willis, Eastern Shore Child Care Resource Center
- Chris Peusch, Maryland State Child Care Association
- Crystal Barksdale, SEIU Local 500
- Doug Lent, MFN
- Kelly Weiss, Prince George's Child Resource Center
- Faith Miller, MFN
- Fatima Whitmore, SEIU Local 500
- FloJean Speck, MFN
- Germane Adams, Prince George's Child Resource Center
- Imani-Angela Rose, Baltimore City ECAC and Maryland State Child Care Association
- Jennifer Andiorio, MFN
- Jennifer Jurch, Abilities Network Project ACT
- Jennifer Lentz, Baltimore City Child Care Resource Center
- Joan Johnson, Howard County Child Care Resource Center
- Jordan Knox, MFN
- Karen Eisenhuth, MFN
- Kelly Hutter, The Promise Resource Center
- Laura Terrell, Prince George's Child Resource Center
- Laura Weeldreyer, MFN
- Leslie Sinclair, Eastern Shore Child Care Resource Center
- Liana Vega, Montgomery County Child Care Resource & Referral Center
- Melanie Martin, MFN
- Melissa Rock, MFN
- Mikiya Fleming, MFN
- Nancy Pelton, Baltimore City Child Care Resource Center
- Patty McCormack, MFN
- Patty Morison, Child Care Choices
- Rena Dubensky, Montgomery County Child Care Resource & Referral Center
- Rose Merryweather, Eastern Shore Child Care Resource Center
- Ruby Daniels, Maryland State Family Child Care Association
- Stephanie Portillo, Child Care Choices
- Roxana Fuentes, Prince George's Child Resource Center
- Sarah Martin, Child Care Choices
- Sue Penix, Baltimore City Child Care Resource Center
- Suzanne Funk, Baltimore City Child Care Resource Center
- Warren Jones, MFN