

The Provider View

*Focus Group Findings from Child
Care Centers in the Subsidy and
Texas Rising Star Programs*

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children
at Risk

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Research Significance

Quality early childhood education (ECE) plays a key role in promoting healthy physical and cognitive development in children. Unfortunately, access to quality, affordable learning experiences is often limited for many families in Texas. Growing recognition of this gap has led to increased focus on ECE initiatives from advocates, educators, business leaders and policymakers, as efforts to expand access to quality early experiences have grown.

Unfortunately, the ECE field faces many challenges in driving this change. In an effort to better incorporate the voices of child care providers into ongoing conversations about ECE policy, CHILDREN AT RISK researchers conducted a series of focus groups with child care center directors around Texas. This brief summarizes key findings from these conversations.

Summary and Methodology

With the help of various partner organizations, CHILDREN AT RISK collected information from focus groups with child care center directors or owners in five Texas cities: Lubbock, San Antonio, Sugarland (a Houston suburb), and two locations in North Texas (Dallas-Fort Worth area). We spoke with approximately 50 directors/owners across the state managing centers of varying sizes, enrollment characteristics, and quality levels. All providers participated in the Texas Workforce Commission's (TWC) subsidized child care program. Approximately three-fourths of participating providers were certified quality through Texas Rising Star (TRS), at various star levels.¹ Focus groups were conducted in May and June of 2018, lasted 60 to 90 minutes, and covered topics including business stability, Child Care Licensing, Texas Rising Star, and Shared Services.

Focus group participants did not include representatives of licensed or registered child care homes. Though focus group invitations were not limited to licensed centers, only licensed centers were able to participate. As a result, the findings summarized in this brief do not specifically reflect the unique challenges faced by those operating home-based child care facilities.

The findings in this brief reflect common themes heard from providers across the state. To protect providers' anonymity, identifying information is not included with quotes or specific anecdotes.

Researchers coded and analyzed focus group responses using NVivo. Roundtable discussions with over 250 ECE stakeholders across nine cities, as well as interviews with state agency staff, corroborated trends we found through the provider focus groups.

The themes summarized in this brief include:

1. Child Care Licensing,
2. Business stability,
3. Shared Services, and
4. Child and Adult Care Food Program.

¹ For more information on the subsidy and Texas Rising Star programs, see Section 3 of the full report of *Building Brains and Economies* found here: www.childrenatrisk.org/ECE.

Many of the concerns identified in themes 1 and 2 contribute to systemic challenges providers face in consistently offering quality services to their children and families. Though many providers persevere despite these challenges and provide rich, engaging experiences for those they enroll, these challenges nonetheless demonstrate the difficulties providers face on a daily basis. Specific barriers to quality is not a separate topic this summary discusses, but it is a theme woven throughout. Efforts to improve the quality of Texas's child care system might consider addressing these issues.

1. Child Care Licensing

Providers across Texas reported similar concerns with Child Care Licensing. Generally, providers demonstrated understanding of and respect for the crucial role that Child Care Licensing plays in ensuring the safety of the children in their care, but expressed frustration at inefficiencies within the system. The group of non-TRS providers in San Antonio identified issues with licensing as one of the main barriers to achieving quality certifications, even though all participants expressed a sincere desire to provide quality, meaningful experiences for the children in their care.

Providers believe that Child Care Licensing should be partners in helping them make sure all of their children are receiving the quality of care they need. Unfortunately, structural barriers such as those discussed in this section too often prevent this ideal from being reality.

Inconsistencies with Licensing Staff. Child care providers in all five cities reported issues with inconsistent licensing staff. This instability was described in one of two ways: 1) high turnover among licensing staff, or 2) inconsistent application of licensing regulations from one representative to another. These related concerns make it difficult for providers to ensure they are consistently meeting all licensing standards.

High turnover among licensing representatives, combined with their high caseloads, means that providers are often faced with different representatives emphasizing different regulations, or some who lack a deep understanding of the regulations they are expected to apply. Multiple providers even reported needing to teach new licensing staff about certain standards when they came to conduct their reviews because they were so inexperienced. Because representatives cannot cite every provider for every violation, providers perceive subjectivity in how standards are applied or not applied. In the words of one provider in North Texas, application of standards “depends on [licensing representatives’] mood.” This provider believes that regulations should be less subjective, to protect against inconsistent application or understanding.

Challenges with Reporting Structure. Providers in Lubbock and San Antonio also expressed frustration with the structure of how licensing violations are reported and how long they stay on a provider's record. In particular, providers in both cities were concerned that even a violation which was corrected immediately or self-reported by the provider stays on their record for some time, depending on the severity of the violation. In one instance, a provider in San Antonio reported that they were cited for a critical deficiency and were later found not at fault, but the violation will appear on their record for a full three years regardless.

This uncertainty about licensing standards represents a barrier for many providers to maintain or achieve quality certifications such as TRS. The group of providers without TRS in San Antonio expressed frustration with the length of time that violations stay on their record and prevent

them from achieving quality certification, even if they have corrected the mistake and want to become quality-certified. A former TRS mentor participating in that focus group said this was not only burdensome for providers, but also for staff trying to shepherd providers through the TRS pipeline—even for those providers in which they had invested significant time and resources to bring into the TRS system, one violation would knock them out of line and render that effort moot until they became eligible again.

2. Business Stability

Child care providers face many challenges in operating as stable businesses. In our focus groups two primary themes emerged around these issues: 1) staffing concerns and 2) inadequate funding. These themes are related—if a provider does not have adequate revenue to pay their staff competitively, they will be less able to attract and retain qualified individuals—but also reflect distinct challenges that impact their daily operations.

Staffing Concerns. Across the state child care providers identified issues with hiring and retaining qualified staff as a significant challenge. Providers in North Texas noted that they often lose qualified teachers to local school districts due to significantly higher pay opportunities. Once staff earn their Child Development Associate (CDA) Credential™, they will leave for higher paying jobs elsewhere, requiring providers to bring in new staff and restart the process. Providers in Sugarland in particular identified this as being a concern for their lowest wage staff—though they have decent stability among lead teachers and administrators, turnover among lower staff positions is high. One provider in Lubbock requires staff to have a bachelor’s degree to ensure staff quality, yet reported issues with retention, even among these highly trained staff. The provider simply could not compete with the local school district for salary, so their staff often leave whenever a position opens.

Non-TRS providers in San Antonio identified difficulty with attracting and retaining staff who meet TRS’s Category 1 (staff qualifications)² as a significant barrier to achieving TRS. One TRS-certified provider in Lubbock said their inability to pay highly qualified staff competitively prevented them from meeting the Category 1 requirements necessary to move to a higher star rating. While this was not widely mentioned across all providers in the focus groups, it is worth noting that this concern was similar to other conversations our research team has had with non-TRS providers and TRS mentors across the state.

One TRS provider in San Antonio represented a bright spot in terms of staffing, however. They are able to follow the local school district’s salary and benefits schedule, so they do not

² In order to be certified at 2-stars through TRS, a provider must ensure that all caregiver staff have received a staff orientation prior to beginning work and follow an individualized training plan providing for a minimum of 30 clock hours of child care related training, in addition to meeting the minimum licensing training requirements. To be certified at 3- or 4-stars, a certain proportion of a provider’s staff must meet certain qualifications across various criteria. For example, if 75% or more of a provider’s staff have a CDA, that provider would receive the maximum available points for that criteria. To learn more about minimum licensing requirements, please visit: <https://hhs.texas.gov/doing-business-hhs/provider-portals/protective-services-providers/child-care-licensing/minimum-standards>. To learn more about TRS requirements, please visit: <https://texasrisingstar.org/providers/trs-categories/>.

experience the turnover seen elsewhere. Unfortunately, this investment in the workforce, while necessary, is simply not realistic for most child care providers.

Inadequate Funding. Providers in all locations, both TRS and non-TRS, reported that subsidy reimbursement rates do not cover their costs for providing care. It is worth noting that the focus groups were conducted before the TWC increased reimbursement rates in the fall of 2018. Further focus groups or surveys should be conducted in 2019 to understand whether the higher rates changed provider choices and perceptions.

Providers across the state reported needing to limit the number of children receiving subsidy assistance they could enroll to ensure sufficient revenue from private pay families to offset their losses serving children on subsidy. Many providers expressed that they accept children receiving subsidy assistance or maintain their TRS certifications because they want to provide quality child care to children who need and deserve it, but none expressed that these choices were worthwhile from a business standpoint. Many providers said they supplement revenue with other funding streams, such as grants and fundraising, but these avenues are often only available for nonprofit providers. One for-profit provider in San Antonio expressed frustration that this was not an option for her center.

3. Shared Services

In conducting these focus groups, we were interested in learning more about how providers think increased investment in Shared Services models can help them in their day-to-day operations.³ We gave each participant a form outlining a series of different options for supports Shared Services can provide, and asked them to identify and comment on the areas that may be most helpful. The providers identified the following items, with the accompanying comments.

1. Human Resources/Back Office Support – Providers in San Antonio and North Texas both identified back office support as a need. Providers in San Antonio were particularly concerned with offsetting the costs of conducting background checks, noting that the fees associated with the process are often higher than background checks for other fields and can be burdensome for individuals seeking employment at child care centers. Providers in North Texas also indicated that help with enrollment management and data tracking could also help them streamline operations.
2. Bulk Purchasing of Supplies – Providers in Lubbock and San Antonio indicated that creating a system through which providers can order supplies in bulk and receive discounts would be useful in saving them money that can be invested elsewhere in their programs.
3. Substitute/Staffing Pool – Providers in Lubbock and San Antonio indicated that a shared substitute or staffing pool would help when they have short-term staffing needs. Though San Antonio currently has a substitute pool for child care in place, providers indicated that it is too expensive for many to access and, therefore, it remains underutilized.

³ For more information on Shared Services, visit www.childrenatrisk.org/shared-services.

4. Child and Adult Care Food Program

The Child and Adult Care Food Program (CACFP) allows programs such as child care providers to receive federally-funded meals for eligible children from low-income households. Entire programs are eligible to receive CACFP assistance if a large enough proportion of its individual enrollees are CACFP-eligible. This important program provides consistent access to nutritious meals to children who may not otherwise have access to them, and alleviates the burden on child care providers and other programs of purchasing meals themselves. More than two-thirds of the child care providers in these focus groups participate in CACFP.

Across every city but Forth Worth (more on that below), child care providers reported that complying with CACFP requirements significantly burdened their operations. Many reported having at least one full-time staff whose entire job was dedicated to managing CACFP caseloads. Providers in Sugarland utilized outside contractors to manage the workload, and providers across the various cities specifically highlighted the amount of required paperwork and reporting as challenging to manage.

Interestingly, providers in Fort Worth reported the opposite of these other cities—they did not find managing CACFP burdensome at all. The providers who attended our focus group there received support in managing their CACFP workload from Educational First Steps, a local nonprofit whose mission is to help child care providers in at-risk neighborhoods sustainably provide high-quality services. In fact, they were so positive about both CACFP and working with Educational First Steps that they offered to help connect the one provider in attendance who did not participate in CACFP with the organization. The positive impact of Educational First Steps' support highlights how effective frameworks such as Shared Services can be when implemented intentionally.

Providers in San Antonio had an interesting suggestion for easing the burden of CACFP. A particular concern they highlighted were issues families often have filling out CACFP paperwork, and how such errors impact their ability to participate in the program. They suggested that, because children who are eligible for CACFP are often also eligible for child care subsidy assistance, the application forms for the two programs be streamlined and combined. This would alleviate the need for families to report the same financial information multiple times and would cut down on the potential for errors.

Conclusion and Next Steps

The findings summarized in this report point to key areas that state leaders should address: the impacts of inconsistently applied and unnecessarily complex licensing standards on providers, and the need for greater business support to stabilize child care operations. Expanding collaboration between the Texas Workforce Commission and the Texas Health & Human Services Commission's Child Care Licensing division can help minimize the burdens of licensing requirements on providers, while also ensuring safety and quality standards are being met. Texas took an important step forward in supporting child care business operations when it increased investment in professional supports available to child care directors and Shared Services frameworks. The state can maintain this positive momentum by continuing to promote and support programs that work, including Shared Services and CACFP.

These findings support the important work of advocates as they continue to push for increased access to quality ECE across Texas. As the group most directly impacted by policy and systematic changes, it is important to continue incorporating providers' perspectives into conversations about ECE. Their insight

and experience helps to ensure that leaders do not miss opportunities to make effective improvements to existing systems, and that new programs do not prove overly burdensome. Only by working with providers and other stakeholders across the ECE system can we ensure all Texas children have access to quality early learning.

For questions or more information, visit www.childrenatrisk.org/ECE or contact:
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