

Draconian state child-care assistance leaves too many working poor with debt, advocates say ^[1]

Poor workers struggling with child care debt trap

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EXCERPTS

Chanice was so buried in bills in 2017, she took on part-time work at a taxi company in addition to her full-time job answering phones at a Boston community health center in hopes of digging herself out.

Still, she staggered under the weight of the copayments she was expected to contribute for state-subsidized child care. With more than \$2,100 in overdue child care bills, the young Roxbury mother lost her day care spot for her son. Then she lost her job.

"You can't work without child care," she said.

Chanice's experience is far too common for working poor parents in Massachusetts, advocates say. Poor families in Massachusetts with state-subsidized day care still pay, in proportion to their income, the highest child care fees in the nation. Some, in order to get the child care they need to work, wind up spending more than 20 percent of their income for care, nearly three times what federal guidelines recommend for needy families.

And when they can't pay, the state's draconian rules lock them out: Parents who fall more than two weeks behind can lose their child care until they pay the full amount they owe. Without child care, however, parents often have to quit their jobs — which makes it impossible to catch up.

Greater Boston Legal Services is petitioning the state Department of Early Education to revise its child care fee schedule and its policy of terminating parents who fall behind on payments, which they argue is illegal.

"Federal law permits disqualifying someone for fraud, but living in poverty and falling behind is not fraud," said Sarah Levy, a senior attorney with the organization. The legal group is representing 24-year-old Chanice, who asked that her full name not be used because, after experiencing more setbacks, she is homeless with two young sons and looking for work, and she fears identifying her would harm her chances for employment.

Department of Early Education board meeting minutes show the board discussed the need to address problems with child care fees as far back as 2006 and vowed to fix them by 2008.

Samantha Aigner Treworgy, who took over as commissioner of the department in August, said fixing the fee schedule is one of her top priorities. But she was unable to say when that issue, or the policy for terminating parents, might be revised.

"We really need to look at what other states have done and understand how they've addressed these complex issues," Treworgy said. "I can't account for decisions that were made before I got here."

Families can make no more than half of the state's median income to be eligible for child care assistance. That means a family of three, like Chanice's, can make no more than \$50,292 annually. Parents who qualify receive either a state subsidized voucher to use at any program that accepts subsidies, or they get a designated seat at a subsidized program.

Advocates say families should pay proportionally more for child care as they earn more, with a cap at 7 percent of their income, as recommended by federal rules. Instead, the state sets a fee schedule that requires the same payment for all households within a given income bracket. For some brackets, there is a big difference between low and high income points, and the poorest families within each tier wind up paying a larger share of their income.

The state's approach also creates a "cliff effect," which can force families to contribute a higher percentage of their income after even a modest increase in pay. Advocates say that punishes parents for trying to work more to get ahead.

That's essentially what happened to Chanice when she took on part-time work in 2017, which pushed her fees from roughly 14 percent of her income to nearly 16 percent.

"The system is set up for you to fail," she said.

The Early Education Department says it has since partially addressed this problem. Pay increases during the year are no longer counted until the family's next annual review, so their child care fees do not immediately rise.

After she lost her full-time job and child care, Chanice found a better-paying job in law enforcement. She enrolled her son in preschool and was paying the full tab. But his tuition cost more than four times what she'd been paying for state-subsidized care, and between school loans and rent, she was never able to repay her old child care debt. Earlier this year, she became too ill to work when she was pregnant with her second son, and she lost her housing. The three are now living in a Boston shelter.

High fees and unforgiving rules are not the only hurdles families encounter.

Thousands of low-income children linger on a state waiting list for care, yet many subsidized seats sit empty. Child care providers say that's partly because the state reserves slots with specific providers that have been chosen based on outdated information about where needy families live. So there are too many spots in communities that don't need them — and too few in those that do.

Treworgy said her department is analyzing where the needs are and hopes to present the data to its board in March. But she was unable to say when the state might make the necessary changes.

"We want to really delve deep into this through our process to make sure we are doing the best we can with the dollars we have," she said.

In the meantime, many families are suffering, said Stephen Huntley, executive director of Valley Opportunity Council in Holyoke, which provides care for about 850 low-income children in Hamden County. His organization offers mandatory financial counseling to help parents with overdue bills avoid termination, which has helped limit the number who've lost care to just four families in two years.

"We know the second their child is terminated from early education, their life becomes exponentially more challenging," he said. "Work becomes a real challenge, and then food and rent become a real challenge."

Karen Frederick, chief executive of Community Teamwork, a Lowell antipoverty agency that provides care for about 1,400 mostly low-income children, said terminating a child's care for a parent's nonpayment also has far-reaching consequences for children.

"For education to be good, it needs to be consistent, instead of children being dumped out in the middle of the year, so they get the valuable experience they need to be ready for school," Frederick said.

For now, Chanice's two sons, one 4 and the other 3 months old, are receiving early education because the state's system provides it free for families who rely on welfare benefits. Chanice is working toward completing college and paying off her bills, including the \$2,100 in child care bills she still owes from when her eldest son received state-subsidized care.

But the clock is ticking. Her sons' free education vouchers run out next October, and they will be barred from further state-subsidized child care until Chanice pays back her outstanding bills in full.

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