Defining the Target Population for Service

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Every city experiences unique needs related to lead and safety repairs in family child care. A Home-Based Child Care Lead Safety Program similar to the Rochester and Syracuse pilot is labor intensive and may be more expensive than the average home repair program. As a community designs its program, it requires a realistic assessment of provider needs, how these needs match with the services available through partner organizations, and the feasibility of partner organizations' expanding or modifying their current services as appropriate for the program.

The experience of the Rochester and Syracuse pilot suggests the following factors play an important role in identifying the target population:

1. A thorough needs assessment;
2. Criteria for income eligibility;
3. Provider experience;
4. Owner versus renter status of providers; and
5. Number of children under age six in care.

1. Needs Assessment and Geographic Targeting

A thorough needs assessment helps program designers use existing resources to their fullest advantage. Consider in such an assessment:

1. The number and location of licensed or registered providers in a particular geographic area;
2. The ability to implement a "tiered" approach to services (i.e., to treat the highest risk areas first, but expand the program to other areas as resources permit);
3. Characteristics of the children served by providers, i.e., percentage of children served by Medicaid, WIC or other nutritional programs, or percentage of children who receive state or federal subsidies for child care;
4. Census tract data on demographics, income, home ownership patterns;
5. Prevalence and location of childhood lead poisoning cases;
6. Information on housing stock (age, deterioration, patterns of code violations, registries of lead safe housing);
7. Programs' ability to display these data in graphical (GIS) format; and
8. Providers' self-assessments of needs for services.

Assembling these data takes time, and program designers should reserve several months for this task. The information needed may come from a variety of sources: new or existing surveys, focus groups, expert judgment, and data collected by other local, state, or federal agencies. One of the most important resources may be assessment or evaluative data collected on earlier programs.

Ideally, the needs assessment phase of the project provides an opportunity for program partners to establish Memoranda of Understanding about data collection, data sharing, and protection of confidentiality. Cooperation among partners and other stakeholders in this early phase sets the stage for later relationships.

Implementation of a needs assessment when multiple partners and funding streams are involved can pose some unique challenges. Program planners should recognize that privacy, paperwork burden, and other concerns might influence the scope and depth of the needs assessment, and the quality of publicly available data. Moreover, agencies may be reluctant or unable to share or merge their data sets.

Two federal laws may especially affect this effort. For example, the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) (45 CFR Parts 160 and 164) limits the type of protected health information that public health agencies may collect and share with other parties. Program designers will not have access to the individual names, ages or addresses of lead-poisoned children, but they may access data grouped on the basis of zip code or census block. However, communities may choose not to report these data if fewer than five cases occur in a given census tract. This could give an incomplete picture of the problem at the neighborhood levels.

When federal funds are used, the Paperwork Reduction Act (5 CFR 1320.3 and 1320.4) requires Office of Management and Budget approval for data collection targeted to 10 or more individuals “by or for the agency” (in this case, the agency that awards the funds). Program designers must know whether their agencies are covered under their rule and must adhere to this restriction when conducting surveys or focus groups.

Knowledge of the needs and income status of the children in care may help programs further refine their target audience. However, states may restrict access to this information in the interests of protecting the confidentiality of the children.

The Rochester and Syracuse Experience

The Rochester and Syracuse HBCCLSP pilot built on the experience of The Enterprise Foundation’s earlier Syracuse Home-Based Child Care Repair Program (HBCCHR), funded through public and private grants. The Syracuse HBCCHR program conducted a survey in 1999, targeted to family child care provider in six low-income Syracuse zip codes. This surveys enabled the program to learn more about providers’ assessments of home repair needs, owner v. renter status, interest in home ownership, income level, and experience in child care (see Appendix 3–1). A similar survey was later conducted in Rochester.

The Syracuse HBCCHR program experience, documented in The Enterprise Foundation’s report, *When Housing and Child Care Meet*, (available at *http://www.enterprisefoundation.org/resources/publications/resourceCatalog/resourcedetail.asp?id=89&cat=17*), served as a preliminary needs assessment for the Rochester and Syracuse HBCCLS program pilot. The data and “lessons learned”

2000 Syracuse Home-Based Child Care Repair Program Services Provided:

1. Roof repair or replacement;
2. Vinyl or aluminum siding;
3. Furnace tune up, repair, or replacement;
4. Porch and sidewalk repair or replacement (to address safety issues);
5. Electrical repairs, increased number of electrical outlets, installation of Ground Fault Circuit Interrupters (GFCIs);
6. Repairs to water and sewer lines;
7. Installation of smoke and carbon monoxide detectors; and
8. ABC-rated fire extinguishers.

sections of that document allowed the Rochester and Syracuse Home-Based Child Care Lead Safety Program to refine its eligibility criteria related to provider experience, and to estimate the funding needed to support the home repair component of the program.

Based on that experience, the new pilot program estimated that the repair cost to meet housing codes and child care licensing standards would average $10,000 per unit. 2000 census data on both cities provided more information on areas of greatest financial need. This information, in turn, supported the pilot's application to HUD to fund the project.

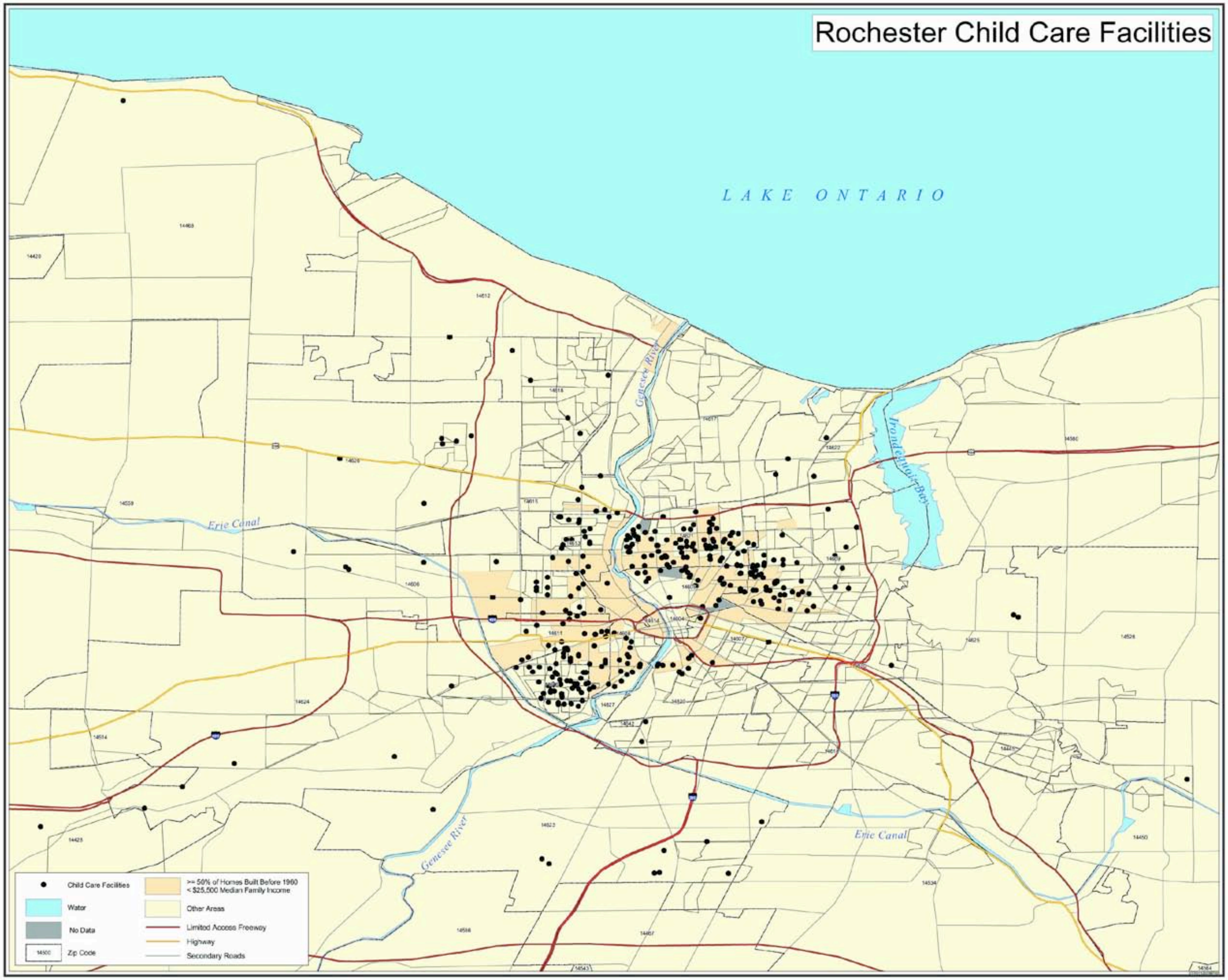
GIS mapping capabilities enabled the program to further refine its targets for service by merging provider location, lead poisoning cases, location of housing units built before 1950, and areas with a median family income under $25,000. This gave the program a picture of the zip codes within both cities with the largest number of low income providers relative to the housing stock in greatest need of repairs.

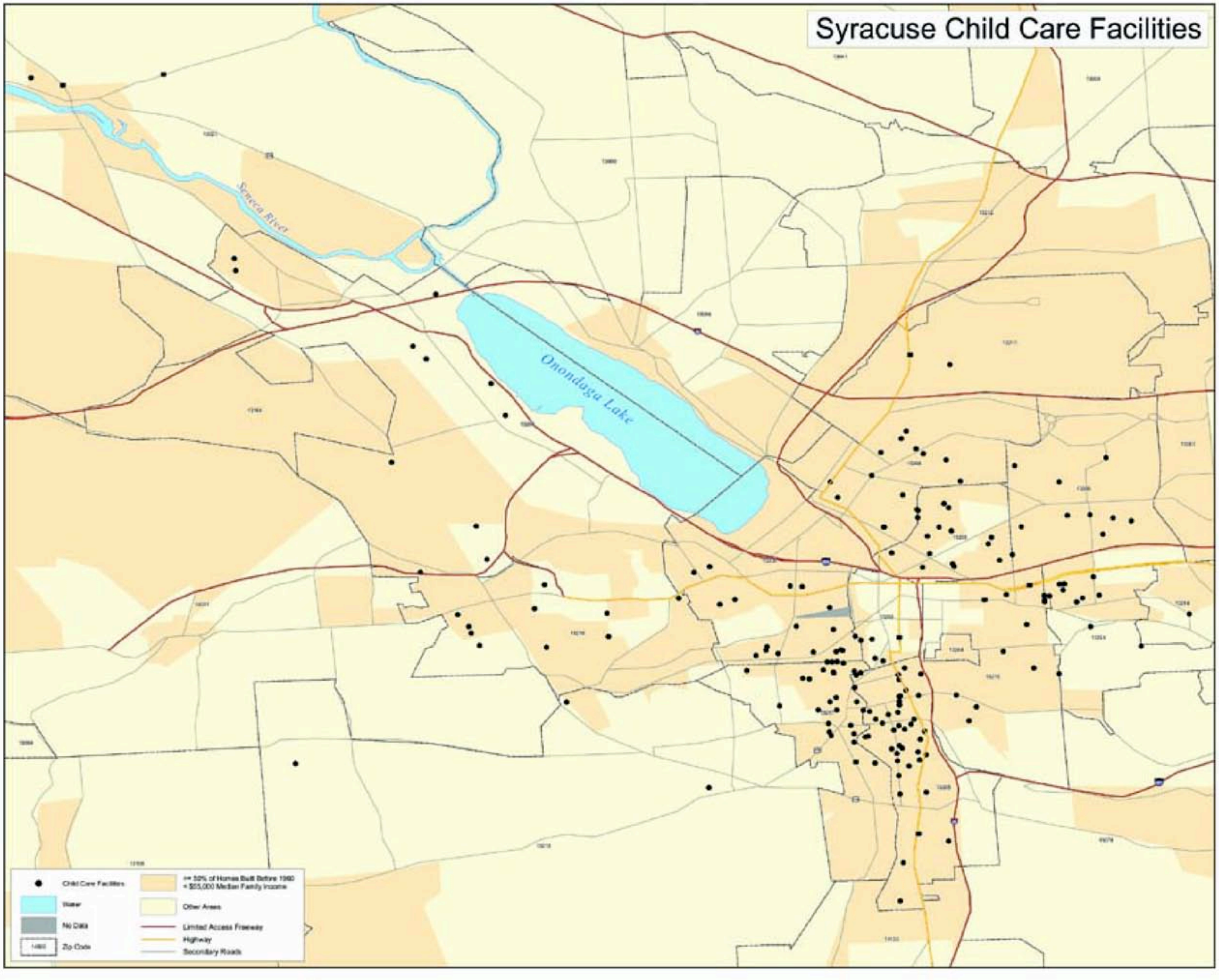
We shared this information at kickoff meetings with community, health, housing, and child care licensing agencies. These meetings helped the Rochester and Syracuse pilots clarify whether proposed service areas overlapped with priority service areas for existing programs. They also set the stage for coordinating referrals between programs and highlighted the unique needs of family child care compared to other area home repair programs.

The Rochester and Syracuse pilot did not establish Memoranda of Understanding on data-sharing early in the project. In retrospect, this was a weakness in the Program, since it produced delays later on, especially when data on children's blood lead levels were needed. To correct this, we designed consent forms so that providers explicitly granted approval to share their data among all partners in the program. In order to obtain blood lead testing data through the Onondaga County Health Department, the Syracuse pilot also required parents to sign consents prepared by the health department to release this information.

Recommendations on Needs Assessment:

1. Know what data are available.
2. Integrate childhood lead poisoning prevalence, housing stock, and population demographic data into the assessment of need.
3. Include providers' self-assessment of needs.
4. Be aware of restrictions on data-sharing/data collection established by funding sources.
5. Establish Memoranda of Understanding between partners about data collection, data-sharing, and confidentiality. Use this as an opportunity to solidify relationships among partners.
6. Use GIS mapping to establish target areas.
7. Validate the program's target audience for services with other programs to increase visibility and support.
8. For multi-year programs, identify plans for extending services beyond the initial target areas.


Rochester Child Care Facilities
LAKE ONTARIO
Irondequoit Bay
Genesee River
Erie Canal
Child Care Facilities
Water
No Data
Zip Code
>= 50% of Homes Built Before 1960
< $25,500 Median Family Income
Other Areas
Limited Access Freeway
Highway
Secondary Roads


Syracuse Child Care Facilities
Onondaga Lake
Seneca River
Child Care Facilities
Water
No Data
Zip Code
>= 50% of Homes Built Before 1960
< $55,000 Median Family Income
Other Areas
Limited Access Freeway
Highway
Secondary Roads

2. Criteria for Income Eligibility

Limited resources require program designers to set priorities on who to serve. When setting criteria for eligibility on the basis of income, planners need to consider:

1. Eligibility requirements set by the different funding sources;
2. Providers' ability to document their incomes;
3. Effect of business deductions/depreciations on household income; and,
4. Providers' credit-worthiness.

Funding sources vary in income eligibility requirements. For example, The U.S. Department of Energy's Weatherization Program qualifies recipients on the basis of their income relative to the federal poverty level, while the U.S. Department of Housing and Urban Development's Lead Hazard Control, Community Development Block Grant (CDBG), and HOME programs use 80% of the area median income adjusted for family size for owner-occupants in their eligibility criteria. The Syracuse and Rochester pilot used the latter criterion for eligibility. Of the 25 providers who participated in the pilot, the average household adjusted gross income as reported on the most recent federal income tax submitted at the time of application was $22,147 for a family of five in Rochester and $18,066 for a family of three in Syracuse. At the time the program began, 80% of area media income in Rochester for a family of five was $45,550 and $37,950 for a family of 3 in Syracuse.

Applicants, especially those with low literacy rates, may find the financial documentation required by different funding sources daunting. The program should expect to counsel applicants on how to prepare applications and collect additional data. It should also help them locate duplicate copies of missing documents. The program may want to explore partnerships with area housing or credit-counseling organizations, or local community colleges to offer training in financial documentation and small business development

For additional information on this subject, see the Enterprise Child Care Library, Financing Family Child Care, found at *www.enterprisefoundation.org* under Practitioner Resources.

Family child care business deductions, such as property depreciation, use of vehicles for business purposes, etc., complicate the determination of household income. These deductions can artificially reduce providers' net household income, making them eligible for federal or state grants, but not loans. Program designers need to analyze the eligibility requirements of funding sources, particularly those related to loans, and determine how to most accurately reflect a provider's income.

Business planning training from child car are resource and referral agencies or other resources such as The Redleaf National Institute (*www.redleafinstitute.org*) are helpful supports.

The Rochester and Syracuse experience

The earlier Syracuse Home-Based Child Care Repair program identified a number of deductions that, by creating artificially low incomes for providers, restricted their ability to qualify for loan programs. The Rochester and Syracuse pilot eventually adopted the underwriting criteria established by the earlier program.

Despite these modifications to loan underwriting criteria, the majority of the child care providers served by the Rochester and Syracuse program had incomes too low to qualify for the available home repair loan programs, either conventional, or government-supported such as CDBG. In order to pay for needed safety repairs, the program used $90,000 in private funds ($50,000 from J.P. Morgan Chase Foundation and $45,000 from an earlier Citibank project managed by The Enterprise Foundation) for grants to cover the costs of these repairs.

Applicant credit-worthiness may or may not be a concern of the funding source. If the source of funds is loans, as in the case of a HBCCLSP administered through a non-profit CDC, evidence of credit-worthiness will be a requirement. Credit rating score, debt service coverage

Syracuse and Rochester Underwriting Criteria:

1. Begin with the net business income (schedule C line 31), and add to that figure:
   a. 100% of expenses for business use of the home (schedule C line 30.) Rationale: Most if not all of these expenses are those that a homeowner would have regardless of whether or not they own a business in their home. Home-business owners deduct these expenses to lower tax liability. An applicant that did not own a business in their home would not have these expenses deducted from their income.
   b. 100% of depreciation (schedule C line 13), 100% of bad debts from sales or services (schedule C line 9) and 100% of depletion (schedule C line 12.) Rationale: Depreciation, bad debt from sales or services, and depletion do not involve the physical exchange of cash.
   c. One-half (1/2) of car and truck expenses (schedule C line 10.) Rationale: At least 50% of car and truck expenses that the filer is claiming as a business expense to reduce tax liability, is most likely used for personal (not business) use. This is an expense that any homeowner would have and would not be deducted from income.
2. Estimate adjusted annual income after taxes, assuming that home-based child care providers are in a 15% tax bracket. Home-based child care providers more often than not have low incomes.

Source: The Enterprise Foundation (Upstate New York), in collaboration with First Children's Finance and the Development Corporation for Children (Minneapolis).

ratio, and loan to value ratio may all be used to determine whether a customer is eligible for financing, and at what amount, based on the institution's underwriting guidelines.

The Rochester and Syracuse pilot worked with its child care partner organizations to assist applicants in assembling the requisite financial and other documentation. The program developed checklists of needed information, and provided contact information on where to apply for additional copies of various documents. The CDC partners then reviewed the application, examined credit history, and made the determination of whether the applicants qualified for the program. Despite this close working relationship, it frequently took several months to assemble the data and determine eligibility.

3. Provider Experience

Since the purpose of a HBCCLS Program is to create a healthy and safe child care environment, the program needs to identify the applicants most likely to remain providers after repairs to their homes have occurred.

Recommendations:

1. Before the program begins, identify eligibility criteria for each potential funding source.
2. Design applications so that all financial information is collected at one time.
3. Train outreach staff to assist applicants in completing the application and assembling necessary documentation.
4. Provide a list of contacts for duplicate information for applicants who cannot locate supporting documentation.
5. Recognize that the application process is stressful and may take several months to complete.

Licensed or registered providers with several years of experience offer several advantages as clients:

1. *A stable enrollment*. Since repair work and relocation can disrupt the child care schedule, good provider-parent relationships help to ease the stress. Providers with more experience in the business have learned how to build these supportive relationships.

2. *A track record of quality care.* Providers with several years of experience have successfully passed the licensing renewal and inspection process, thus the quality of their care is well established. A history of repeated violations of health, safety, or quality standards should be grounds for denying service by the program.
3. *A stable business structure.* Tom Copeland, director of Redleaf National Institute, a national center for business planning for family child care, reports that the average turnover in the field is between 10-20% per year. While providers leave for many reasons, Copeland reports increasing turnover related to such business factors as demanding paperwork, lack of clients, and marketing and business management problems. Providers who do remain in business commonly begin to seek opportunities to expand their base or improve their professional credentials. Participation in a HBCCLS Program that includes technical and planning assistance from a child care resource and referral agency offers support for both opportunities.

An important program design issue is whether to limit services to providers regulated by the state or local governments. Unlicensed providers (known as "kith and kin" providers) also provide an important source of care in many communities in ways that accommodate parents' preference, schedules and ability to pay. They generally care for neighbors' or relatives' children. Since they typically care for fewer children than regulated providers (e.g., up to two children in New York State), a program that enrolls "kith and kin" providers may ultimately benefit the health of fewer children. Moreover, "kith and kin" providers largely lack the formal training in child development, nutrition, and health and safety that licensing ensures. Their unregulated status means that the program has no way to evaluate the quality of the care they provide. Their incomes will be harder to document, and their stability as business operations less certain. Finally, they lack established relationships with child care resource and referral agencies that may recruit and provide technical assistance for the program. Because there is a growing movement nationally to provide direct support to "kith and kin" providers, if a program chooses to offer services to this target group, it should consider the outreach and technical support needed and available to work with this population.

The Rochester and Syracuse experience

The Rochester and Syracuse pilot initially restricted enrollment to licensed or registered providers with more than three years of experience and no pending disciplinary actions. After enrolling from the pool with longer service histories, the program opened enrollment to providers with more than a year of experience, or who had left the business and then returned. No quality issues were discovered, but the program did reject several applicants who did not have children under the age of six in care.

Recommendations:

1. Work closely with child care licensing, resource and referral, and provider networks to understand the local family child care business cycle.
2. Set criteria for provider experience and quality of care.
3. Target services to licensed or regulated providers wher ever possible.
4. If working with "kith and kin" providers, establish clear criteria for outreach and monitoring of providers. Identify support resources in the area that serve this population.
5. Determine whether funding sources limit services to licensed entities.

4. Owner-Occupied versus Rental Units

Family child care operates in both owner-occupied and rental units. Each setting offers unique challenges for program outreach, relocation, and funding.

Rental properties typically have more deferred maintenance and higher rates of lead-based paint hazards than owner-occupied units. Owner-occupants have access to more funding for home repairs than owners or tenants of rental properties. Some CDCs are barred by their board policies or by-laws from serving rental property owners. Other may shy away because of the additional monitoring that rental units may require. For example, federal CDBG and HOME funds require that the organization monitor rental units for three years or more after completed repairs to ensure that the units stay available to low-income families with children under the age of six.

Family child care in rental settings may raise even tougher issues. A provider's desire to offer lead-safe child care may run counter to an owner's understanding of property rights and liability. For example, rental property owners may not know that child care is offered on site. The provider's insurance coverage may not be sufficient to protect the owner from exposure to liability. Rental property owners may resist additional housing code inspections or the lead-based paint risk assessments associated with a HBCCLS Program out of fear that their liability will increase. Since federal law requires that the owner of a unit with lead-based paint hazards report this information to all future renters or property owners — even when those hazards were corrected — rental property owners may prefer a "don't ask, don't tell" approach to the problem.

With owner-occupied units, the program has more information to evaluate the provider's suitability as a partner in the home repair process. Participation in the HBCCLS Program requires providers to cooperate with program staff and comply with what at times may seem complicated program requirements. Evidence that a property is free of liens and up-to-date on taxes and insurance serves as an early indicator of how well owners keep records and comply with legal requirements. Because the providers live on-site, they are well-aware of the need for repairs. This translates into greater incentive to help the program do its work quickly and efficiently.

For more information, see The Enterprise Foundation Child Care Library, Landlord and Tenant Issues for Family Child Care, at *www.enterprisefoundation.org*, under Practitioner Resources.

The Rochester and Syracuse experience

The Rochester and Syracuse HBCCLS pilot served predominantly owner-occupied units. The program targeted units occupied by owners with household incomes under 80% of area median for several reasons. First, the earlier Syracuse Home Repair program had successfully focused on this population and understood its needs and circumstances. Second, neither CDC partner had experience working with rental properties. Third, the majority of child care providers in both cities were owner-occupants. Earlier surveys of these providers indicated that they tended to care for more children and provide care in their homes for a longer period of time, thus increasing the program's impact. Finally, the Program's funding available for non-lead-related home-repairs was geared to owner-occupants.

The pilot ultimately served three rental properties in Rochester. Federal lead hazard control funds available to the project provided that renters could qualify for support if their incomes were below 50% of the area median income and if the landlord gave priority to renting the rehabilitated units to low income families with children under the age of six for at least three years afterwards. The owner of the units, who operated home-based child care sites throughout the city and employed family members and other caregivers in the units, requested services because one unit had enrolled a child with elevated blood lead levels and the owners wanted to make all their units lead-safe. All the renters were employees of the program, and each of the units was used for child care as well as living space, a practice that would continue after the repairs ended.

The inclusion of rental units in the program required adjustments to policies and procedures. First, the renters' incomes had to be evaluated to determine whether they met the income criteria. Since the $300/month rent was provided by the owner as an employee benefit, it was treated as income during this determination. After verifying that the incomes remained below 50% of area median, the owner and renters signed statements that the units would remain available as rental units with priority to serving families with a child under the age of six. The CDC and child care network office monitored that child care continued to be offered on-site by renter-employees of the program. Since the CDC lacked funds to support non-lead repairs in rental units, the pilot only addressed lead hazards in these homes. At the end of lead hazard control work, both the renters and the owner attended training on how to conduct ongoing maintenance.

Recommendations:

1. Start with owner-occupied units and expand to rental units after program policies and procedures are well-established.
2. Develop separate outreach, applications, and maintenance training for rental units.

5. Number of children in care

Because young children are especially vulnerable to the effects of lead, a HBCCLS Program may want to target its efforts to homes with large number of young children in care.

Implementation of this goal can be challenging. [The number if children cared for in home-based child care providers are more volatile than those of center-based care.] State licensing and regulatory agencies vary in the limits they set on the number of children under age six that may receive care in a home-based setting, both in total and during the course of a day. Equally as important, parents' changing economic situations may cause the number of children in care to vary dramatically over a six-month period. However, programs with limited resources may wish to use the number of children in care as a criterion for eligibility or to setting priorities for service.

The Rochester and Syracuse pilot initially targeted provider homes with four or more children in care for services. We quickly learned that this was unrealistic, and that enrollments varied dramatically even within a two-month period. Ultimately, the program restricted services to providers with at least one child under the age of six in care. Of the 25 providers served by the program, Rochester providers averaged 3 children under the age of six in care and the Syracuse providers averaged 5 children.

Recommendations:

1. Determine whether the program needs to set specific targets regarding the number of children in care.
2. If the program expects a large enrollment, use the number of children under age six in care as a criterion for scheduling repair work.
3. Develop a system to monitor fluctuations in the number of children in care.

Appendix 3–1
Family Child Care Survey

1. How many children do you care for in your home each week? ______
2. How long have you provided childcare in your home for children other than your own? ____ years
3. What is your family size? ______
4. Is your childcare business: ☐ registered, ☐ licensed, ☐ legally exempt from licensing/ registration?
5. If you are not registered or licensed, do you plan to become registered or licensed? ☐ Yes ☐ No
6. How long have you lived at your current address? ________ months ________ years
7. Do you own or rent the home or apartment you live in? Check your answer below.

A. ☐ OWN **OR** **B. ☐ RENT**

If you own, complete the questions below.

1. How much do you pay monthly in mortgage, property taxes and insurance? $ ________
2. Which of the following systems in your home need immediate repair?
   ☐ Electrical
   ☐ Plumbing/Sewer
   ☐ Heating/Furnace
   ☐ Roof/Gutters
   ☐ Fencing
   ☐ Porches/Exterior Stairs
   ☐ Walls/Paint & Plaster
   ☐ Windows/Screens
   ☐ Security/Doors/Locks
   ☐ Interior Stairways
   ☐ Foundation
   ☐ Other ____

   ☐ Nothing needs significant repair.

If you rent, complete the questions below.

1. How much is your monthly rent? $______
2. How many rooms do you have, not counting any bathrooms? ________ rooms
3. What is the apartment's square footage? ________
4. Would you be interested in owning a home, if it were affordable & met the needs of your family & your childcare business? ☐ Yes ☐ No
5. What help would you need in order to purchase your own home? (*Check all that apply*).
   ☐ Money for downpayment & closing costs
   ☐ How to clean up credit problems
   ☐ How to find a mortgage
   ☐ How to find a home that meets my needs
   ☐ How to figure what payments I can afford
   ☐ Other ____

What is your annual net household income (net income from family childcare business plus other household income—line 22 of IRS Form 1040) *Check one.*

☐ Less than $15,000	☐ $20,000 to $24,999	☐ $30,000 to $34,999	☐ $40,000 to $44,999
☐ $15,000 to $19,999	☐ $25,000 to $29,999	☐ $35,000 to $39,999	☐ $45,000 to $49,999
			☐ $50,000 or more

Your answers and your name & address will be completely confidential and will not be used beyond this project. Please help us to help family childcare providers by providing your:

Name: ____

Address: ____ ZIP Code ______________