

## Advisory Memorandum

**To:** The U.S. Commission on Civil Rights

**From:** The Mississippi Advisory Committee to the U.S. Commission on Civil Rights

**Date:** December 1, 2015

**Subject:** Low Income Child Care Subsidies Distribution in the State of Mississippi

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On April 29, 2015, the Mississippi Advisory Committee (Committee) to the U.S. Commission on Civil Rights convened a public meeting via web conference to hear testimony regarding alleged discrimination against recipients of federal low-income child care subsidies, and the providers who serve them, on the basis of race or color in the State. A second public web conference involving additional testimony followed on May 13, 2015. These hearings were in fulfillment of a project proposal adopted by the Committee on February 27, 2015. Key to the Committee's inquiry was an examination of the federal Child Care and Development Fund (CCDF) and related programs, and the potential for disparate impact on the basis of race or color as a result of the State's discretionary administration of these funds.

The following advisory memo results from the testimony provided during the April 29<sup>th</sup> and May 13<sup>th</sup>, 2015 meetings of the Mississippi Advisory Committee, and related testimony submitted to the Committee in writing during the open period of public comment. It begins with a brief overview of the issue as it was to be considered by the Committee. It then presents primary themes as they emerged from the testimony received, and identifies recommendations for addressing related civil rights concerns. This memo and the recommendations included within it were adopted by a majority of the Committee on November 19, 2015.

### Background

The Child Care and Development Fund (CCDF) is administered by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care. The intent of this fund is to “[assist] low-income families in obtaining child care so they can work or attend training/education.”<sup>1</sup> The CCDF also seeks to improve the quality of child care, and to promote coordination among early childhood development and afterschool programs.<sup>2</sup> Program funding is administered to States, Territories, and Tribes through a federal block grant; as such, recipients have significant discretion regarding how to administer these funds. For example, funds may be administered through vouchers provided directly to eligible families, or through grants and contracts made with child care providers.<sup>3</sup> Recipients may also coordinate CCDF funded programs with Head Start, pre-k, and other early childhood programs; or use available Temporary Assistance for Needy Families (TANF) funding to directly support child

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<sup>1</sup> Office of Child Care, Child Care and Development Fund Fact Sheet, p. 01. Updated March 2012. Available at [http://www.acf.hhs.gov/sites/default/files/occ/ccdf\\_factsheet.pdf](http://www.acf.hhs.gov/sites/default/files/occ/ccdf_factsheet.pdf). (Last accessed September 01, 2015). Hereafter Cited as *CCDF Fact Sheet*.

<sup>2</sup> *CCDF Fact Sheet*, p.01

<sup>3</sup> *CCDF Fact Sheet*, p.01

care programming.<sup>4</sup> States, Territories, and Tribes receiving CCDF dollars must submit comprehensive plans regarding their use of this funding to the Office of Child Care every three years; and conduct public hearings to invite public comment on those plans.<sup>5</sup>

At 29% in 2014, the State of Mississippi has one of the highest rates of childhood poverty in the country.<sup>6</sup> This is an issue which disproportionately impacts the State’s African American children: an estimated 47% of Black children in Mississippi were living at or below poverty in 2014, compared to just 15% of Non-Hispanic White children.<sup>7</sup> While the Committee recognizes that there will always be competing forces for limited publicly-sponsored resources for low-income families, given the continued disproportionate and long term impact of childhood poverty on the African American community in Mississippi, the Committee sought to examine whether or not the way in which early child care and development resources are currently being allocated in Mississippi may serve to exacerbate, rather than narrow these disparities.

The Committee heard testimony from two panels of experts including researchers, state officials, advocates, and child care providers regarding available early child care and development supports in Mississippi. This testimony primarily focused on State CCDF requirements and distributions.<sup>8</sup> The Committee notes that despite its leading role in administering CCDF at the national level, and despite a direct reminder of their obligations as a federal agency under 42 U.S. Code 1975 (e) to “cooperate fully with the Commission to the end that it may effectively carry out its functions,” the Office of Child Care declined to participate in either of the Committee’s two public meetings on this topic.<sup>9</sup>

### **Federal Child Care Subsidies in Mississippi: Overview of Testimony**

In Mississippi the CCDF is administered by the Division of Early Childhood Care and Development of the Mississippi Department of Human Services (MDHS, also referred to as the “Lead Agency”).<sup>10</sup> Within federal guidelines,<sup>11</sup> lead agencies are free to define income

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<sup>4</sup> *CCDF Fact Sheet*, p.01. For more information on TANF, visit the Office of Family Assistance of the Administration for Children and Families, U.S. Department of Health and Human Services at: <http://www.acf.hhs.gov/programs/ofa/programs/tanf/about> (last accessed September 30, 2015)

<sup>5</sup> *CCDF Fact Sheet*, p.02. *Note*: According to the Office of Child Care, with the 2014 reauthorization of the Child Care and Development Block Grant, the CCDF State Planning Period was extended from 2 to 3 years.

<sup>6</sup> Children in Poverty (100 Percent of Poverty). Annie E. Casey Foundation, Kids Count Data Center, Year 2014. Available at <http://datacenter.kidscount.org/data/tables/43-children-in-poverty-100-percent-poverty?loc=26&loct=2#ranking/2/any/true/869/any/322>. (Last accessed September 18, 2015).

<sup>7</sup> Children in Poverty by Race and Ethnicity. Annie E. Casey Foundation, Kids Count Data Center, Year 2014. Available at <http://datacenter.kidscount.org/data/tables/44-children-in-poverty-by-race-and-ethnicity?loc=26&loct=2#detailed/2/26/false/869.36.868.867.133/10.11.9.12.1.185.13/324.323/> (last accessed September 18, 2015).

<sup>8</sup> See Appendix A for Hearing Agendas.

<sup>9</sup> The Office did, however submit a brief written statement from its director, Rachel Schumacher, and respond to a later request of the Committee seeking additional information on their forthcoming quality improvement requirements. See Appendix B: Written testimony of Rachel Schumacher, Director, Office of Child Care. Submitted by the U.S. Department of Health and Human Services, Administration for Children and Families, May 13, 2015. Hereafter cited as *Schumacher Testimony, May 2015*. See also Appendix C: Schumacher email, October 09, 2015.

<sup>10</sup> *Schumacher Testimony, May 2015* p. 01. See also Matthews testimony, Public Meeting of the Mississippi Advisory Committee to the U.S. Commission on Civil Rights, April 29, 2015. Transcript p. 04 lines 10-28.

eligibility, set provider payment rates and copayments for families, and establish priorities and eligibility criteria.<sup>12</sup>

The Committee heard testimony that across the country, and specifically in Mississippi, the CCDF program is severely underfunded and serves a minority of eligible children.<sup>13</sup> Consistent with federal guidelines, in Mississippi a family of three must earn less than 85% of the State median income, or \$2,916 per month (\$34,992 per year) in order to qualify for CCDF participation<sup>14</sup>—a figure which represents approximately 175% of the 2013 federal poverty guidelines.<sup>15</sup> However, within these criteria, lead agencies are required to prioritize funds for “children with special needs” and families with “very low incomes.”<sup>16</sup> As a result, panelist Hannah Matthews of the Center for Law and Social Policy (CLASP) testified that families served are often “well under these income eligibility levels,” and that “more than half of the families receiving CCDBG-funded child care are below federal poverty.”<sup>17</sup> Additionally, due to stagnant federal child care funding (including expiration of support from the 2009 American Recovery and Reinvestment Act), and a significant decline in federal TANF funds, the total number of children receiving CCDF support is currently at its lowest levels since 1998.<sup>18</sup> CLASP data indicates that between 2006 and 2013, Mississippi saw a decline of 53% in the number of children served by the CCDF.<sup>19</sup> Using data from the National Center for Children in Poverty, panelist Carol Burnett of the Mississippi Low Income Child Care Initiative (MLICCI) estimated that 124,426 children in Mississippi under the age of six were potentially eligible for CCDF

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Available at: <https://database.faca.gov/committee/meetingdocuments.aspx?flr=126314&cid=257>. (Last accessed October 06, 2015). Hereafter Cited as *April Transcript*.

<sup>11</sup> Child Care and Development Fund (CCDF) Plan for Mississippi, FFY 2014-2015; p. 35, Section 2.3. *Eligibility Criteria for Child Care*. Available at: [http://www.mdhs.state.ms.us/media/16908/eccd\\_CCDFStatePlan.pdf](http://www.mdhs.state.ms.us/media/16908/eccd_CCDFStatePlan.pdf). (Last accessed September 30, 2015). Hereafter cited as *Mississippi CCDF Plan FFY 2014-2015*.

<sup>12</sup> *Schumacher Testimony, May 2015*. See also Matthews testimony, *April Transcript*, p. 04 lines 10-28.

<sup>13</sup> Matthews testimony, *April Transcript*, p. 06 line 38 through p. 07 line 06. See also Burnett testimony, *April Transcript*, p. 08 lines 20-24, and Burnett Supplemental Testimony, p. 04. Full text in Appendix D.

<sup>14</sup> *Mississippi CCDF Plan FFY 2014-2015*, Sec. 2.3.5(d) “Income Eligibility Criteria” p. 39.

<sup>15</sup> The federal poverty guideline for 2013 was \$19,530 for a family of three according to the U.S. Department of Health and Human Services. Available at: <http://aspe.hhs.gov/2013-poverty-guidelines>. (Last accessed September 30, 2015). See also Burnett Supplemental Testimony, p. 03. Note: according to the National Center for Children in Poverty, “in order to meet their most basic needs,” families require an income of approximately 200% of federal poverty guidelines. National Center for Children in Poverty. Mississippi Demographics of Low Income Children. Available at: [http://www.nccp.org/profiles/MS\\_profile\\_6.html](http://www.nccp.org/profiles/MS_profile_6.html) (last accessed September 30, 2015).

<sup>16</sup> *Mississippi CCDF Plan FFY 2014-2015*, Sec. 2.5 “Prioritizing Services for Eligible Children and Families” p. 43. Note: Mississippi has defined “very low income” as “income at or below the 50 percent of the State Median Income (SMI).” Sec. 2.5.1, p.45

<sup>17</sup> Matthews testimony, *April Transcript*, p. 04 lines 34-40. Note: “CCDBG” or the “Child Care Development Block Grant” is a synonymous reference to the “CCDF” or “Child Care Development Fund.”

<sup>18</sup> Matthews Testimony, *April Transcript* p. 05 lines 01-11. See also, Panelist Presentations, April 29, 2015 hearing before the Mississippi Advisory Committee to the U.S. Commission on Civil Rights, slide 08. Available at: <https://database.faca.gov/committee/meetingdocuments.aspx?flr=126314&cid=257>. (Last accessed October 06, 2015). Hereafter cited as *April Presentations*.

<sup>19</sup> Matthews Testimony, *April Transcript*, p. 05 lines 01-11.

funding in 2013, yet on average 18,300, or 14.7 percent, actually received this assistance each month.<sup>20</sup>

It is within the context of these severe funding limitations that the Committee heard concerns regarding both the budgeting priorities of the MDHS in its administration of the CCDF, and the additional, discretionary eligibility criteria imposed. Ms. Matthews testified, “While many other states have also lost children during this time period, only four states had a larger decline in children served, raising the likelihood that declining participation is not solely the result of funding shortfalls, but also reflects state policy choices.”<sup>21</sup> Ms. Burnett also noted this disparity. According to data reported by the U.S. Department of Health and Human Services, she wrote: “While the federal funds used by Mississippi to serve children have shrunk by 28% since 2010...services to children have been reduced by 46%.”<sup>22</sup>

According to the U.S. Department of Justice, “Under the disparate impact theory, a recipient, in violation of agency regulations, uses a neutral procedure or practice that has a disparate impact on protected individuals, and such practice lacks a substantial legitimate justification. The elements of a Title VI disparate impact claim derive from the analysis of cases decided under Title VII disparate impact law.”<sup>23</sup> In Mississippi, fully 92 percent of CCDF beneficiaries are Black, compared with just 42 percent nationally.<sup>24</sup> As such, advocates have argued that any policy choices which unduly restrict or limit CCDF participation will necessarily have a significant, disparate impact primarily on African American families.<sup>25</sup> To this end, the Committee heard testimony regarding both state eligibility criteria for CCDF participation, and discretionary budgetary decisions which may unnecessarily limit the number of children who are served by this program. The Committee also heard testimony regarding the State’s use of the Quality Ratings and Improvement System to determine tiered provider reimbursement rates and incentives, program challenges stemming from mistrust and a lack of cooperation between providers and MDHS, and concerns regarding public records and program data.

### ***CCDF Eligibility Criteria***

As noted, CCDF dollars are allocated to the States as a federal block grant. The purpose is to allow states autonomy to utilize these funds in a way that is congruent with their current administrative systems. Within some basic federal guidelines, the lead agency in each state has the authority to determine, among other factors, eligibility requirements and priorities for funds distributions. Testimony received raised the following concerns regarding discretionary eligibility criteria in the State of Mississippi:

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<sup>20</sup> Burnett Supplemental Testimony, p. 04. *Note:* While the monthly average participation was 18,300 children in FFY 2013, MDHS reported that in total 30,178 unduplicated children (approximately 24%) received subsidies at some point during the year.

<sup>21</sup> Matthews Testimony, *April Transcript*, p. 05 lines 08-11.

<sup>22</sup> Burnett Supplemental Testimony, p. 04

<sup>23</sup> See United States Department of Justice Title VI Legal Manual, available at <http://www.justice.gov/crt/title-vi-legal-manual#Disparate>. (last accessed October 09, 2015)

<sup>24</sup> Matthews Testimony, *April Transcript*, p. 05 lines 12-15. *See also*, *April Presentations*, slide 10.

<sup>25</sup> Burnett Supplemental Testimony, pp. 01-10.



- *Child Support Requirement.* MDHS requires that single parents initiate legal action against the absent parent prior to receiving CCDF funds.<sup>26</sup> There is an exception in cases of spousal abuse, but advocates contest this provision is not adequately publicized.<sup>27</sup> An estimated 44% of children living in poverty are in families with single parents in Mississippi, compared with just 10% of children living with married parents.<sup>28</sup> As such, panelists indicated that child support requirements may deter the families in most need of support.<sup>29</sup> Additionally, because the majority of single parents are women, this policy necessarily results in a disparate impact on the basis of sex.
- *Eligibility Re-determination.* In order to provide continuity of care, which is vital to both family financial stability and positive child development, federal guidelines suggest lead agencies implement a 12-month eligibility period for families receiving child care support.<sup>30</sup> While the MDHS has adopted this 12-month eligibility recommendation, they also require that parents who qualify for CCDF support because they are enrolled full time in an educational program be re-determined as eligible each semester/quarter.<sup>31</sup> In addition, priority clients who were referred for child care support from TANF, DCFS, and the home visiting program (HHM) are subject to eligibility based on the policies of their referring program.<sup>32</sup> If a family's eligibility or priority status based on one of these circumstances changes during the initial, 12-month eligibility period, that family is terminated from the program.<sup>33</sup> In part due to these policies, despite the intended 365 day eligibility period, MDHS reported that in FFY 2014, families determined to be eligible received between 13 and 260 days of child care support services.<sup>34</sup>

<sup>26</sup> *Mississippi CCDF Plan FFY 2014-2015*, Sec. 2.2.9 "Describe how the Lead Agency documents and verifies applicant information" pp. 33-34.

<sup>27</sup> MLICCI State Plan Input Letter to Jill Dent, pp. 04-05. Full text in Appendix E

<sup>28</sup> Annie E. Casey Foundation Kids Count Data Center, "Families with Related Children that are Below Poverty by Family Type," Mississippi 2014. Available at: <http://datacenter.kidscount.org/data/tables/55-families-with-related-children-that-are-below-poverty-by-family-type?loc=26&loct=2#detailed/2/26/false/869,36,868,867,133/994,1297,4240/345,346> (last accessed October 01, 2015).

<sup>29</sup> Burnett Testimony, *April Transcript*, p. 07 line 34 through p. 08 line 05; p.08 line 37 through p. 09 line 09. *See also: April Presentations*, slides 21-23.

<sup>30</sup> U.S. Department of Health and Human Services, Office of Child Care. *Information Memorandum: CCDF-ACF-IM-2011-06*, "Policies and Practices that Promote Continuity of Child Care Services and Enhance Subsidy Systems," pp. 02-04. Issued September 21, 2011. Available at: <http://www.acf.hhs.gov/programs/occ/resource/im2011-06> (last accessed October 01, 2015). *See also* Matthews testimony, *April Transcript* p. 06 lines 01-15.

<sup>31</sup> *Mississippi CCDF Plan FFY 2014-2015*, Sec. 2.3.6(c) "Eligibility Re-determination" p. 40.

<sup>32</sup> *Mississippi CCDF Plan FFY 2014-2015*, Sec. 2.3.6(c) "Eligibility Re-determination" p. 40. *Note:* eligibility periods of these referring programs are not coordinated with the CCDF eligibility period. *See Mississippi CCDF Plan FFY 2014-2015*, Sec. 2.3.6(b) "Eligibility Re-determination" p. 40.

<sup>33</sup> *Mississippi CCDF Plan FFY 2014-2015*, Sec. 2.3.6(d) "Eligibility Re-determination" p. 40.

<sup>34</sup> Dickson Testimony, Public Meeting of the Mississippi Advisory Committee to the U.S. Commission on Civil Rights, May 13, 2015. Transcript, p. 09 lines 22-33. Available at: <https://database.faca.gov/committee/meetingdocuments.aspx?flr=126315&cid=257> (last accessed October 06, 2015). Hereafter cited as *May Transcript*. *Note:* According to the testimony of Ms. Dickson, a number of clients came into the program with just six months left in the fiscal year; therefore, MDHS anticipates an increase in service length in FFY15. *See also:* Panelist Presentations, May 13, 2015 hearing before the Mississippi Advisory Committee to the U.S. Commission on Civil Rights, slide 24. Available at:

## ***Budgetary Decisions***

In addition to determining eligibility criteria and defining priority populations to serve, States have authority to utilize a portion of their CCDF funding for a number of discretionary purposes. They may also combine funding with other state programs in order to more effectively serve the intended population. Panelists raised the following regarding these discretionary budgetary decisions in Mississippi:

- *Fraud Detection.* The Mississippi Department of Human Services' implementation of the biometric finger scanning system (eChildcare) in 2012 to verify CCDF families' identities reportedly diverted already severely limited funds away from providing direct voucher assistance to families in need and was not preceded by a public financial plan or supported by evidence of a need to reduce fraud.<sup>35</sup> Due to administrative challenges to the programs' implementation, the biometric finger scanning is no longer required for CCDF participation as of August 15, 2013.<sup>36</sup> However, MDHS reportedly did not rescind their contract with Xerox for the hardware and technological support associated with this program, a move which, according to testimony from the MLICCI could have recovered enough funding to serve 7,928 children.<sup>37</sup> Additionally, panelist Deloris Suel, a child care provider, claimed that 2,000 in-home child care providers left the CCDF program because they had been told they would be required to participate in the finger scanning system, further reducing childcare availability for families in need.<sup>38</sup>
- *TANF Collaboration.* States are permitted to directly allocate federal TANF dollars to the CCDF program. However, Mississippi allocates no such funding for this purpose.<sup>39</sup> Yet, in 2013, the U.S. Department of Health and Human Services reported that Mississippi had \$7,865,405 in unobligated TANF funds, and had spent \$0 on child care.<sup>40</sup> The MLICCI estimates that these funds could have served an additional 2,973 children.<sup>41</sup>

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<https://database.faca.gov/committee/meetingdocuments.aspx?flr=126315&cid=257> (last accessed October 06, 2015). Hereafter cited as *May Presentations*. See also: Matthews Testimony, *April Transcript*, p. 06 lines 01-15.

<sup>35</sup> Burnett Supplemental Testimony, pp. 07-08. See also Suel Supplemental Testimony, pp. 02-05. Full text in Appendix F. *Note:* While the original Xerox contract was to be limited to \$31,509,200 over a five year term, MDHS reports that actual total paid to Xerox before contract cancellation was \$1,439,739.33. Of this, \$138,997.53 was allotted from CCDF dollars. The remaining \$1.3 million was paid through State discretionary funds out of the Governor's office, and was not within MDHS discretion.

<sup>36</sup> Suel Supplemental Testimony, pp. 02-05. See also Burnett Supplemental Testimony, pp. 07-08. See also, MDHS Thompson Response, pp. 06-07, Allegation 11. Full text in Appendix G

<sup>37</sup> Burnett Supplemental Testimony, pp. 07-08.

<sup>38</sup> Suel Testimony, *April Transcript*, p. 19 lines 14-29

<sup>39</sup> *Mississippi CCDF Plan FFY 2014-2015*, Sec. 1.2.1 "What is your expected level of funding for the first year of the FY 2014 – FY 2015 plan period?" p. 04. *Note:* This plan specifies that some federal TANF support may be transferred to CCDF pending budget allocations, though no direct spending was projected.

<sup>40</sup> U.S. Department of Health and Human Services, Administration for Children and Families Office of Family Assistance. TANF Financial Data FY 2013. Available at: <http://www.acf.hhs.gov/programs/ofa/resource/tanf-financial-data-fy-2013> (last accessed October 01, 2015).

*For definitions, see also:* Categories and Definitions for TANF and MOE Funds, available at: [http://www.acf.hhs.gov/sites/default/files/ofa/categories\\_and\\_definitions\\_for\\_tanf\\_and\\_moe\\_funds.pdf](http://www.acf.hhs.gov/sites/default/files/ofa/categories_and_definitions_for_tanf_and_moe_funds.pdf) (last accessed October 01, 2015).

<sup>41</sup> Burnett Testimony, *April Transcript*, p.08 lines 25-33. See also Burnett Supplemental Testimony p. 05.

## *Quality Rating and Improvement Systems*

Current federal guidelines require that a minimum of four percent of CCDF funds be spent on “quality enhancement activities to improve child care and other services to parents.”<sup>42</sup> This spending requirement is projected to increase to seven percent in FFY 2016 due to new requirements under the reauthorization of the CCDBG Act of 2014.<sup>43</sup> By FFY 2020 the total required quality enhancement spending is projected to rise to twelve percent.<sup>44</sup>

In Mississippi, one of the primary strategies for quality improvement is known as the Quality Rating and Improvement Systems (QRIS). The program is “a systemic approach to assess, improve, and communicate the level of quality in early and school-age care and education programs.”<sup>45</sup> Currently, participation in QRIS is voluntary; and according to the MDHS, approximately thirty-six percent of licensed programs are enrolled across the state.<sup>46</sup> As an incentive for participation, child care centers may receive between seven and twenty-five percent additional CCDF reimbursements for achieving higher quality ratings.<sup>47</sup> In FFY 2014, MDHS reportedly dispersed over \$1.3 million to providers for quality bonus.<sup>48</sup>

Under QRIS, a one-star rating begins with the single requirement that a child care center hold a state Child Care License. Requirements progress and include the categories of administrative policy, professional development, learning environments, parent involvement, and evaluation.<sup>49</sup> Some requirements such as designating a bulletin board for parent communication, or holding regular parent/teacher conferences require minimal if any economic burden. Other requirements however, pose a much larger challenge, especially for small, under-resourced child care centers. The Quality Star rating system is progressive, meaning in order for a center to meet the requirements of a higher quality rating level, it must meet all requirements of the preceding levels as well.<sup>50</sup> As such, a center may meet a number of high quality indicators; however, if staff does not hold the prescribed professional credentials, or costly structural center upgrades are required, the center will not be able to achieve the higher rating or receive the indicated reimbursement incentives.<sup>51</sup>

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<sup>42</sup> Schumacher Testimony, *May 2015*, p. 02. See also Dickson testimony, *May Transcript*, p. 07 lines 15-22

<sup>43</sup> Schumacher Testimony, *May 2015*, p. 02. See also: Office of Child Care, CCDF Reauthorization: <http://www.acf.hhs.gov/programs/occ/ccdf-reauthorization> (last accessed October 02, 2015). See also Schumacher email October 09, 2015.

<sup>44</sup> Schumacher email October 09, 2015.

<sup>45</sup> For more information, visit the QRIS Resource Guide, available at: <https://qrisguide.acf.hhs.gov/> (last accessed October 02, 2015)

<sup>46</sup> Dickson Testimony, *May Transcript*, p. 10 lines 18-25

<sup>47</sup> Clay Testimony, *May Transcript*, p. 14 lines 18-26; See also: *May Presentations* slide 49.

<sup>48</sup> Dickson testimony, *May Transcript*, p. 10 lines 24-25

<sup>49</sup> For more information, visit the Mississippi State University Early Childhood Institute “Earn Your Stars! The Step-By-Step Workbook for Child Care Directors in the Mississippi Quality Stars Program.” Available at: <http://earlychildhood.msstate.edu/programs/qualitystars/earnyourstars/index.php> (last accessed October 01, 2015).

<sup>50</sup> Clay Testimony, *May Transcript*, p. 12 lines 20-31

<sup>51</sup> Clay Testimony, *May Transcript*, p. 12 lines 20-31; See also: *May Presentations*, slide 38; See also: Shulman Testimony, *April Transcript*, p. 11 line 35 through p. 12 line 02

Testimony received as part of this inquiry indicated that as it is currently implemented in Mississippi, the QRIS system may have a disparate, negative impact on African American owned and operated child care facilities. Related concerns presented to the Committee follow:

- Participation in the CCDF program is voluntary on the part of providers.<sup>52</sup> Providers who do accept and rely on CCDF vouchers to support facility operations are predominantly “operated by black women, staffed by black teachers, and located in low-income black communities, and serve black children.”<sup>53</sup> According to the MLICCI, base reimbursement rates for providers through the CCDF program are already low—approximately 60 percent below Mississippi’s market rate.<sup>54</sup> As such, many providers who depend on these funds cannot afford to make the necessary improvements to achieve higher ratings.<sup>55</sup> In fact, according to MLICCI surveys, “these providers suppress their rates and often engage in payment arrangements that include bartering for services to make their services more affordable to the families they serve.”<sup>56</sup> Without financial support to make needed improvements, QRIS incentive dollars may not be accessible to many child care facilities, particularly those in low-income, African American communities. Furthermore, due to low base rates, tiered reimbursement incentives are often insufficient for providers to recuperate investments made in quality improvement, even at the highest quality rating reimbursement levels.<sup>57</sup>
- Testimony raised questions regarding the purpose and effectiveness of the QRIS rating system. For example, panelist Debbie Ellis, a child care provider, pointed out a recent study by the RAND Corporation, which indicates that QRIS, as currently configured, does “not necessarily capture differences in program quality that are predictive of gains in key developmental domains.”<sup>58</sup> Panelist Karen Schulman of the National Women’s Law Center noted “some directors believe that the classroom environment standards do not place enough emphasis on teacher-child interaction...while paying attention to maybe other things on a checklist that may not reflect the actual...very important aspects of the

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<sup>52</sup> Dickson Testimony, *May Transcript*, p. 07 lines 06-13

<sup>53</sup> Burnett Supplemental Testimony, p. 06

<sup>54</sup> CLASP reported that Mississippi’s payment rates for center-based care for a 4 year old in 2014 were 29 percent below the federally recommended 75<sup>th</sup> percentile; and for a one year old was 29 percent below the recommended level. See Matthews Testimony, *April Transcript*, p. 05 lines 29-38.

<sup>55</sup> While testimony from the Mississippi State University Early Childhood Institute, which implements the program in the state, estimates a cost of \$1,000-\$3,000 to achieve the necessary improvements for a five star rating, a study of the MLICCI estimated \$11,500 per classroom to meet quality improvement standards. See Burnett Testimony, *April Transcript*, p. 09 line 10 through line 20; Burnett Supplemental Testimony, p. 06. *See also*: Clay Testimony, *May Transcript*, p. 13 line 38 through p. 14 line 16; *May Presentations*, slide 47. *See also*, *Mississippi CCDF Plan FFY 2014-2015*, Sec. 3.3 (a) “Creating Pathways to Excellence for Child Care Programs through Program Quality Improvement Activities (Component #3)” p. 97.

<sup>56</sup> Burnett Supplemental Testimony, p. 06

<sup>57</sup> Shulman Testimony, *April Transcript*, p. 13 lines 04-13.

<sup>58</sup> Ellis Testimony, *April Transcript*, p. 15 lines 31-36. *See also* Karoly, Lynn: *Validation Studies for Early Learning and Care Quality Rating and Improvement Systems: A review of the Literature*. (Working Paper). p. ii May 2014, RAND Education and RAND Labor and Population. Available at: [http://www.rand.org/content/dam/rand/pubs/working\\_papers/WR1000/WR1051/RAND\\_WR1051.pdf](http://www.rand.org/content/dam/rand/pubs/working_papers/WR1000/WR1051/RAND_WR1051.pdf) (last accessed October 01, 2015).

quality of care.”<sup>59</sup> If high QRIS scores are not necessarily predictive of better development outcomes, some panelists indicated that the state’s promotion of child care centers with higher QRIS ratings to parents may unfairly harm (primarily African American owned and operated) centers that cannot afford the required upgrades.<sup>60</sup>

- FFY 2015 data submitted by the MDHS regarding child care center quality—at least among those centers that had been rated in QRIS—indicated that 17% of QRIS participating child care facilities owned or operated by providers of color held a quality rating score of three or better, compared with 28% of facilities with a white owner/operator.<sup>61</sup> Similarly, 83% of facilities owned and operated by providers of color held a quality rating of one or two, compared with 72% of white owned and operated facilities.<sup>62</sup> 28% of participating centers had not yet been rated.
- Some testimony suggested that lower QRIS ratings among primarily African American providers may stem from racial bias,<sup>63</sup> and that the assessment process itself may be inconsistent and unclear to providers.<sup>64</sup> Although QRIS staff does provide the name and contact information of the evaluator to the facility director, a study of the MLICCI found that there were no written policies governing implementation; and no formal avenue for providers to contest their evaluations if they felt they were inaccurate.<sup>65</sup> A report of the National Equity Project commissioned by the MLICCI quoted from a provider, “There is racial bias on the part of the center visitors—we don’t know how the standards are weighted.”<sup>66</sup>

Especially in light of the significant increase projected in quality improvement spending with the reauthorization of the CCDBG Act of 2014, concerns regarding disparate impact on the basis of race may be particularly troubling.

### ***Climate and Cooperation***

As a cooperative program between the federal Office of Child Care, the state lead agencies, the child care providers, and the families served by the initiative, the success of CCDF depends on mutual trust and cooperation between all involved parties. If the program is to foster innovation, and to provide improved monitoring, training, and grants to providers as intended;<sup>67</sup> the lead agency and the providers must work together to achieve the program purpose. Unfortunately in Mississippi, testimony presented to the Committee revealed deep mistrust and divergent

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<sup>59</sup> Shulman Testimony, *April Transcript*, p. 12 line 03 through line 07

<sup>60</sup> Burnett Testimony, *April Transcript*, p. 09 line 10 through line 20; Burnett Supplemental Testimony p. 06. *See also*: Clay testimony, *May Transcript* p. 15 lines 03 -07; Dickson testimony, *May Transcript*, p. 15 lines 09-23

<sup>61</sup> *May Presentations*, slide 29. *Note*: MDHS has corrected the totals on these slides. The corrected numbers indicate 154/544, or 28.3% of the centers had not yet been rated.

<sup>62</sup> *May Presentations*, slide 29. *Note*: MDHS has corrected the totals on these slides. The corrected numbers indicate 154/544, or 28.3% of the centers had not yet been rated.

<sup>63</sup> Ellis Testimony, *April Transcript*, p. 23 line 09 through 15.

<sup>64</sup> Forrester Supplemental Testimony, p. 01; full text in Appendix H

<sup>65</sup> Burnett Testimony, *April Transcript*, p. 23 line 19 through 35.

<sup>66</sup> National Equity Project: Mississippi Low-Income Child Care Initiative Institutional Partners, Child Care Providers Listening Campaign. November 2012 p. 06.

<sup>67</sup> *CCDF Fact Sheet*, p. 01



perspectives between the MDHS and some child care providers—particularly those operating in low-income, African American communities in and around the Mississippi Delta region.

To illustrate, the MDHS regards many of its policy decisions described above as efforts to improve quality and efficiency in the state child care program. Panelist Laura Dickson of the MDHS cited two separate publications released by the National Women’s Law Center in 2013 and 2014 which identified Mississippi’s policies as “family friendly and supportive of low-income parents.”<sup>68</sup> Nevertheless, a number of African American child care facility owners continue to view at least some of the state’s administration of CCDF as intentionally discriminatory on the basis of race. In the example of the electronic finger scanning initiative, the MDHS maintains the program’s purpose was to address fraud. Some providers however, saw it as an unnecessary barrier to participation and a diversion of funding rooted in racial animus, intended to withdraw support from communities deemed unworthy.<sup>69</sup> Furthermore, shortly after the program’s cancellation, the MDHS announced that all TANF workplace participants, who had previously been working in child care facilities across the state, would be removed and placed at alternative work sites.<sup>70</sup> The stated cause for this action was that TANF work placements are intended to be temporary, and to lead to gainful employment—child care facilities were not hiring TANF workplace participants as paid staff within six months of entering the program, so they were to be removed to other sites.<sup>71</sup> Additionally, there were to be no more than three TANF workplace participants at any given site, and parents were not permitted to work in the same classroom as their children—regulations which MDHS found were being violated.<sup>72</sup> Many child care providers however, saw the move as direct retaliation for their resistance to the finger scanning initiative.<sup>73</sup> TANF workplace participants had provided critical support to financially stretched and understaffed centers. The abrupt removal of these participants left many centers unexpectedly understaffed and without sufficient adult supervision for the children in their care.<sup>74</sup> The lead plaintiff in the Xerox finger scanning case, panelist Deloris Suel, also reported that her CCDF reimbursement checks were delayed by the state in personal retaliation for her filing of the Xerox complaint.<sup>75</sup>

In another illustration, the Committee heard detailed testimony regarding rating reliability procedures involved with QRIS implementation. QRIS evaluators receive extensive training prior to even completing any practice evaluations. Evaluators must then attend an in-depth

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<sup>68</sup> Dickson testimony, *May Transcript*, p. 07 lines 24-28

<sup>69</sup> Suel Testimony, *April Transcript*, p. 16 line 20 through p. 18 line 08; *See also*: Burnett testimony, *April Transcript*, p. 09 line 31 through p. 10 line 25; Burnett Supplemental Testimony, pp. 07-08; *See also*: Ellis testimony, *April Transcript*, p. 14 lines 04-15

<sup>70</sup> Letter from Cathy Sikes, Director of Field Operations, Mississippi Department of Human Services to Timothy Noonan of the U.S. Department of Health and Human Services, Office of Civil Rights. June 10, 2014. Transaction Number 04-14-173525. Full text in Appendix I. Hereafter cited as *MDHS Response to DHHS*

<sup>71</sup> *MDHS Response to DHHS*, pp. 01-02

<sup>72</sup> *MDHS Response to DHHS*, pp. 01-02

<sup>73</sup> Letter from Congressman Benny G. Thompson to Attorney General Eric H. Holder, October 11, 2013. Full text in Appendix J. Hereafter cited as *Thompson Letter*. *See also*: Suel testimony, *April Transcript*, p. 17 lines 06-09; p. 19 lines 14-29

<sup>74</sup> *Thompson Letter*, p. 02

<sup>75</sup> Suel Supplemental Testimony, p. 04, paragraph 05.

training directly with a state “anchor,” who has been trained to national standards in QRIS. Evaluators must then produce ratings with 85% reliability for three consecutive visits before they are allowed to conduct an assessment on their own. This means that they evaluate the same classroom at the same time as their anchor. Both evaluators independently produce ratings, and discuss their scores for each item. The trainee must be within one point of the anchor on each assessment item in order to be “reliable.”<sup>76</sup> Once a rater has achieved reliability, every six visits they must conduct another test session with their regional anchor to ensure that reliability is maintained. If their reliability is not within 85%, they must return to conduct evaluations with their regional anchor until reliability is re-established.<sup>77</sup> Regional anchors are also required to establish reliability with their state anchor every twelve visits. Through such careful implementation, the state has demonstrated 93-94% reliability in QRIS evaluations over the past three years.<sup>78</sup> In addition, MDHS reported that QRIS staff try to schedule evaluations near the end of a provider’s licensure year, so that centers have “the most time possible to comply with the components of the star level that they are trying to achieve to increase the odds of success.”<sup>79</sup> Despite this careful implementation however, child care providers continue to express concern that ratings are unclear, and may include racial bias.<sup>80</sup> Whether this disconnect indicates a climate of mistrust, a lack of clear communication, a need for more transparent information sharing, a lack of cultural relevancy in the assessment tool, or other problems; there is clear room for improvement in the climate and the level of cooperation between MDHS and a number of providers. Without such improvements, conflict and resistance to collaboration will continue to impede the intended outcomes and innovation desired from the CCDF.

To help address this issue, the Committee notes that panelist Karen Schulman of the National Women’s Law Center recommended QRIS evaluators establish relationships with child care center directors, and provide feedback to facilitate improvement, including “information about how they were assessed and why they received a particular rating.”<sup>81</sup> Also, the Committee notes that in compliance with federal requirements to solicit public input, the MDHS held three public meetings to receive public comment on the FFY 2014-2015 state CCDF plan. The agency received additional comments submitted in writing. Despite fifty-four pages of transcript from the resulting public meetings, and an additional nine pages of written comments received, MDHS reportedly did not adopt a single change to the plan based on these public comments. The agency also reportedly did not provide any response to the public regarding consideration of their comments.<sup>82</sup> Increased communication regarding the deliberations behind such decisions, and a public response regarding why specific recommendations could not be implemented, may help to

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<sup>76</sup> Clay testimony, *May Transcript*, p. 11 line 13 through p. 12 line 13

<sup>77</sup> Clay testimony, *May Transcript*, p. 11 line 13 through p. 12 line 13

<sup>78</sup> Clay testimony, *May Transcript*, p. 11 line 13 through p. 12 line 13

<sup>79</sup> Dickson testimony, *May Transcript*, p. 10 lines 31-36

<sup>80</sup> Ellis testimony, *April Transcript*, p. 23 lines 09-15

<sup>81</sup> Shulman Testimony, *April Transcript*, p. 12 lines 23 -34; p. 22 line 26 through p. 23 line 02 *Note:* MDHS reports that the Mississippi Quality Stars staff mails providers information about their rating, along with a staff member name and direct contact information in case of any questions/concerns/objections/requests related to the information that is provided.

<sup>82</sup> Suel Testimony, *April Transcript*, p. 18 lines 20-32

improve relations and establish cooperation between MDHS and child care providers moving forward.

### ***Public Records and Program Data***

Maintaining accurate, consistent public records and program data that is transparent and accessible is key to the successful implementation of any public, collaborative initiative. Public data and record sharing allows for accountability, increased accuracy, multi-stakeholder cooperation, and innovation. In the case of establishing rules and regulations related to federal programs, it is also a requirement of the federal Administrative Procedures Act.<sup>83</sup> To this end, testimony received during this inquiry raised the following:

- Testimony from a child care center provider indicated that information on the QRIS website may be inaccurate: specifically, centers that had discontinued participation in QRIS were still listed as participating centers and may have inflated the percentage of all centers participating in the program to 36%.<sup>84</sup>
- MDHS does retain data regarding the race/ethnicity of children attending quality rated child care facilities in the state. However, data submitted for both FFY 2014 and FFY 2015 showed that more than 50% of the children attending the relatively few facilities that participate in QRIS were at centers that had not yet been rated.<sup>85</sup> An analysis of this data did suggest that access to high quality affordable child care services may be more limited for children of color.<sup>86</sup> However, given the significant number of children at centers that had not yet received ratings, the validity of this data is unclear. The Committee recognizes that QRIS ratings are often delayed until the end of the year to provide centers with the opportunity to meet quality improvement standards; however given similar gaps in 2014 and 2015 data, it does not appear as though this data was updated at the conclusion of the previous fiscal year.<sup>87</sup>
- MDHS reported that child care copayments for CCDF recipients total no more than 8.6% of a family's annual income, and that those clients who received TANF benefits have no copayment amount at all.<sup>88</sup> Federal guidelines recommend that copay fees total no more than 10% of parents' income, and the national average is 7%.<sup>89</sup> However, according to testimony from the Center for Law and Social Policy, citing federal data, in Mississippi these subsidies average 26% of parent's monthly income—a rate that is the highest in the country. This data further indicates that 64% of parents receiving CCDF subsidies in

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<sup>83</sup> 5 U.S.C. Subchapter II. Available at: <https://www.archives.gov/federal-register/laws/administrative-procedure/> (last accessed October 02, 2015).

<sup>84</sup> Forrester Supplemental Testimony, p. 01. *Note:* MDHS reports that program participation data on the website is updated quarterly, and is not used to determine percentage rates that are reported monthly.

<sup>85</sup> *May Presentations*, slide 28.

<sup>86</sup> In FFY 2015, 11.2 % of non-White children attended a child care facility with a quality rating of three or better, compared with 15.4% of White children. Similarly, 37.7% of non-White children attended a center with a lower quality rating of one or two, compared to 25.4% of White children.

<sup>87</sup> MDHS Child QRIS Rating Participation Data, FFY 2014 and FFY 2015, Appendix K

<sup>88</sup> Dickson Testimony, *May Transcript*, p. 08 lines 36-43; p. 09 line 03 through 09.

<sup>89</sup> Matthews Testimony, *April Transcript*, p. 05 line 23 through line 27.

Mississippi are required to pay these copayments.<sup>90</sup> At the time of this report, the source of this discrepancy remains unclear.<sup>91</sup>

- MDHS reported that all state data is available to any person who makes a request under the Freedom of Information Act (FOIA), and that the agency regularly provides data to meet those requests.<sup>92</sup> However, public comment during the Committee's inquiry indicated potential delays in this data sharing process.<sup>93</sup> Dr. Cory Wiggins of the Mississippi Economic Policy Center noted the importance of easy access to real time data, in order for researchers and policy makers to truly understand issues impacting children, and how to address them.<sup>94</sup> Dr. Wiggins also spoke to the importance of further disaggregating data, at least to the county level, in order to better understand issues impacting Mississippi's low-income children: "We know a lot of these issues that people look through and try to figure out how to impact the lives of children tends to be very localized. I think we think county level data is one sort of way of looking at it."<sup>95</sup>
- The implementation of Mississippi's contract with Xerox for finger scanning identification of CCDF participants was canceled, at least in part, due to administrative challenges stemming from a lack of public records transparency.<sup>96</sup> While this effort was canceled in 2013, it is clear that the lack of transparency caused significant damage to the relationship between the MDHS and many child care providers, as referenced in the previous section. This relational damage and residual mistrust continues to the present.

## **Findings and Recommendations**

On February 27, 2015 the Mississippi Advisory Committee to the U.S. Commission on Civil Rights voted to conduct a study of federal low-income childcare subsidy distributions in Mississippi, and related programs. Testimony focused on the alleged discriminatory treatment of both providers and families receiving federal child care support on the basis of race or color as a result of the state's discretionary administration of federal CCDF and related funds. This study

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<sup>90</sup> Matthews Testimony, *April Transcript*, p. 05 lines 22-28; based on FFY 2013 data submitted by MDHS to the Federal Office of Child Care. Available at: <http://www.acf.hhs.gov/programs/occ/resource/ccdf-statistics> (last accessed November 10, 2015)

<sup>91</sup> After the Committee's final review and approval of the report, MDHS offered the following clarification: "In Mississippi, clients on TCC, with special needs, or served by our federal home visiting program or are in Foster/Preventive/Protective care are assigned a minimum \$10 copayment and are served on a referral from the programs mentioned above. Because Mississippi considers these individuals to be our most vulnerable, we do not collect income information for these families and serve them without regard to income due to the high number of risk factors associated with the families. This means that our system reflects a \$10 copayment assigned to a family with no reported income making the copayment as a percent of income seem incorrectly high. When the data for this table is pulled, our copayment as a percent of income is not accurately reflected because it uses our entire population, which includes these families (roughly 1/3 of our total population). While I understand this can be confusing, the copayment amounts as a percent of income that were reported by [MDHS supplemental testimony, Appendix L] are correct for those families that are assigned a copayment based on their income." The Office of Child Care did not respond to the Committee's request for copayment data verification.

<sup>92</sup> Dickson Testimony, *May Transcript* p. 17 lines 39-41

<sup>93</sup> Dickson and Burnett testimony, *May Transcript* p. 18 lines 07-40

<sup>94</sup> Wiggins testimony, *May Transcript*, p. 06 lines 09-42; p. 16 line 33 through p. 17 line 04.

<sup>95</sup> Wiggins testimony, *May Transcript*, p. 16 lines 23-31; p. 06 lines 01-07

<sup>96</sup> Suel Supplemental Testimony, pp. 02-05. *See also* Burnett Supplemental Testimony, pp. 07-08. *See also*, MDHS Thompson Response, pp. 06-07, Allegation 11 in Appendix G

included hearing balanced and diverse testimony during two public meetings from state officials, national researchers, child care experts, advocates, and child care providers. In addition, the Committee heard a number of public comments and received supplemental written testimony on the topic. The Committee submits the following findings based on this testimony:

1. The MDHS has imposed a number of discretionary requirements which may unnecessarily restrict the families in greatest need from accessing quality, affordable child care—primarily in low-income communities of color. These requirements include that single parents initiate legal action for child support prior to receiving services; that eligibility re-determination is documented every semester or quarter for parents who qualify because they are students; and that priority re-determination for children referred from other supportive programs is not coordinated with the CCDF eligibility period, resulting in many children losing their subsidies in less than the intended 12-month eligibility period.
2. MDHS discretionary spending on fraud prevention has perhaps unjustifiably diverted already severely limited funding away from providing direct services to children, primarily in low-income communities of color. Failure to utilize otherwise unobligated federal TANF dollars to support child care needs in the state may further restrict otherwise available resources.
3. A number of concerns exist regarding federally required spending on the quality improvement of state low-income child care services. These include: (a) quality incentives may be out of reach for the providers most in need of support, particularly those in low-income African American communities; (b) the quality rating system QRIS may not accurately predict improved developmental outcomes for children; (c) the QRIS may be subject to rater bias and result in systemically lower scores on the basis of race or color. That required quality improvement spending is projected to increase with the 2014 authorization of CCDF makes these concerns even more troubling.
4. A significant disconnect exists between the CCDF lead agency, MDHS, and many child care providers in Mississippi—especially those who serve primarily low-income African American communities. The resulting mistrust and guarded lack of cooperation is an impediment to the goals of the program, and may be preventing a significant portion of families and children in need from accessing quality child care.
5. Data discrepancies and non-transparent program reporting may result in increased mistrust and make it difficult for advocates, researchers, and child care providers to collaborate with MDHS for program improvement, particularly in the African American community.

Among their duties, advisory committees of the U.S. Commission on Civil Rights are authorized to advise the Commission (1) concerning matters related to discrimination or a denial of equal protection of the laws under the Constitution and the effect of the laws and policies of the Federal Government with respect to equal protection of the laws; and (2) upon matters of mutual concern in the preparation of reports of the Commission to the President and the Congress.<sup>97</sup> In

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<sup>97</sup> 45 C.F.R. § 703.2



keeping with these responsibilities, and in consideration of the testimony heard on this topic, the Mississippi Advisory Committee recommends that the Commission advise the following to the U.S. Department of Health and Human Services, Administration for Children and Families Office of Child Care:<sup>98</sup>

1. The Office of Child Care should consider whether sufficiently compelling justification exists for lead agencies to include in their eligibility criteria any requirements which are differentially applied to single (as opposed to married) parents. If sufficiently compelling justification does not exist, such eligibility criteria should be prohibited. As is the case with requiring single parents to initiate legal action for child support in order to be eligible for CCDF assistance, such differential requirements necessarily have a disparate impact on women. The MDHS has not produced data about any purported benefits of such policies that might justify such a disparate impact.
2. In conjunction with requiring increased CCDF spending on quality improvement efforts under the CCDBG Act of 2014, the Office of Child Care should require lead agencies to spend a comparable portion of their CCDF budget on direct support to child care facilities in their lowest-income areas. This support should be directed to help facilities meet quality improvement standards, and may help narrow current disparities in access to high quality child care services on the basis of race or color.
3. The Office of Child Care should conduct or commission a thorough study of the validity of the QRIS evaluation criteria as a predictive measure of improved developmental outcomes for children. This study should include a review of evaluation outcomes in diverse communities to ensure criteria are culturally relevant to diverse populations, and that they do not unduly disadvantage any particular protected class.
4. Especially in light of the increased focus on quality improvement forthcoming, the Office of Child Care should require lead agencies to develop clear, written policies and guidelines regarding factors that define quality in child care. If the QRIS system is continued and/or expanded, the Office should also require that lead agencies share written information with child care providers about the quality measures used and how they are to be rated. Such policies should also include a defined protocol for centers to contest ratings they feel are unjustified. This informational support may address concerns regarding potential biased ratings on the basis of race or color.
5. The Office of Child Care currently requires that lead agencies submit a CCDF Plan, and invite public comment on those plans every three years. In addition to this requirement, lead agencies should be required to submit a record of the public comment received, and either (1) an explanation regarding how relevant public comment was incorporated into their plan; or (2) justification regarding why public comment cannot be incorporated.
6. The Office of Child Care should require that all CCDF participation data and program reports be made publicly available online. The Committee recommends that accurate and continuous data be reported to the public regarding the provision and effectiveness of

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<sup>98</sup> In a letter submitted to the Committee on November 06, 2015, the Office of Child Care stated that the Agency lacks legal authority to implement recommendations 1&2; the Agency's view is that such implementation would require Congressional action. The Agency also noted that MDHS does have the authority to implement these recommended policy changes without action from the Office of Child Care or Congress.

child care services in the state. These data should be measured based on county-to-county assessments methods and should reflect service to all demographic constituencies in the state.

In addition, given their lack of full cooperation, the Committee recommends that the Commission issue a statement to the Office of Child Care, reminding them of their obligation as a federal agency under 42 U.S. Code 1975 (e) to “cooperate fully with the Commission to the end that it may effectively carry out its functions,” to the extent that such cooperation may be required in future Committee investigations.

**Appendix:**

- A. Hearing Agendas
- B. Written testimony of Rachel Schumacher, Director, Office of Child Care
- C. Schumacher email, October 09, 2015
- D. Burnett Supplemental Testimony
- E. MLICCI State Plan Input Letter to Jill Dent
- F. Suel Supplemental Testimony
- G. MDHS Thompson Response
- H. Forrester Supplemental Testimony
- I. MDHS Response to DHHS
- J. Letter from Congressman Benny G. Thompson to Attorney General Eric H. Holder
- K. MDHS QRIS Rating Child Participation Data FFY 2014 and FFY 2015
- L. MDHS Reported Copayment Rates

**MISSISSIPPI ADVISORY COMMITTEE  
TO THE U.S. COMMISSION ON CIVIL RIGHTS**

*Public Meeting: Civil Rights and Federal Childcare Subsidies in Mississippi*

APRIL 29, 2015  
1:30PM Central Daylight Time

**Agenda**

**Welcome and Introductions (1:30-1:35pm)**

- Dr. Susan Glisson, Chair

**Panel Presentations (1:35 – 2:25pm)**

- Hannah Matthews – Director, Child Care and Early Education; Center for Law and Social Policy
- Carol Burnett – Executive Director; MS Low Income Childcare Initiative
- Karen Schulman – Senior Policy Analyst; National Women’s Law Center
- Debbie Ellis – Director; Delta Licensed Providers
- Deloris Suel – Childcare Provider

**Committee Questions and Answers (2:25 – 2:45pm)**

- Dr. Susan Glisson, Chair

**Open Forum (2:45 – 3:00pm)**

- Public participation

**MISSISSIPPI ADVISORY COMMITTEE  
TO THE U.S. COMMISSION ON CIVIL RIGHTS**

*Public Meeting: Civil Rights and Federal Childcare Subsidies in Mississippi*

MAY 13, 2015  
1:30PM Central Daylight Time

**Agenda**

**Welcome and Introductions (1:30-1:35pm)**

- Dr. Susan Glisson, Chair

**Panel Presentations (1:35 – 2:25pm)**

- Dr. Corey Wiggins – Director, Mississippi Economic Policy Center
- Laura Dickson – Director, Division of Early Childhood Care and Development; Mississippi Department of Human Services
- Connie Clay – Project Director; Mississippi State University College of Education, Early Years Network

**Committee Questions and Answers (2:25 – 2:45pm)**

- Dr. Susan Glisson, Chair

**Open Forum (2:45 – 3:00pm)**

- Public participation





ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

901 D Street SW, Washington DC 20447 [www.acf.hhs.gov](http://www.acf.hhs.gov)

May 13, 2015

The Mississippi Advisory Committee to the U.S. Commission on Civil Rights  
C/o The U.S. Commission on Civil Rights, Midwest Regional Office  
55 W. Monroe, Suite 410  
Chicago, IL 60603

Dear Members of the Mississippi Advisory Committee:

Thank you for your interest in assuring the quality and accessibility of child care assistance in Mississippi. The Office of Child Care welcomes the opportunity to submit a statement on the Child Care and Development Fund (CCDF). The CCDF is term given to the combined discretionary funds authorized by the Child Care and Development Block Grant Act, and mandatory and matching funds made available under section 418 of the Social Security Act. The legislation governing the CCDF program is the Child Care and Development Block Grant. The program is administered at the Federal level by Office of Child Care (OCC), located within the Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS).

CCDF supports low-income working families through financial aid for child care, and promotes children's learning by improving the quality of early care and education and after school programs. In fiscal year 2015, Congress provided \$5.35 billion in mandatory and discretionary funds to HHS for child care services. In turn, HHS provides funds on a formula basis to States, Territories and Tribes to administer the CCDF program. Mississippi received over \$56 million for the current fiscal year.

Each State designates a Lead Agency to administer the program. In Mississippi, CCDF is administered by the Division of Early Childhood Care and Development in the Mississippi Department of Human Services. Mississippi's program is commonly referred to as the Child Care Certificate Program or the Child Care Payment Program. Through the CCDF program, subsidized child care services are available to eligible families through vouchers or through grants or contracts with providers. Nationally, nearly 1.5 million children receive a child care subsidy from the CCDF program every month. In FY2013, over 18,000 children were served each month in Mississippi. Parents may select a child care provider--a child care center, family child care home, relative, friend, or neighbor--that accepts subsidies and meets applicable State and local requirements.

Currently, each State Lead Agency distributes subsidies to eligible families and providers in accordance with their jurisdiction's child care system. Within federal guidelines, Lead Agencies have the flexibility to define income eligibility, set provider payment rates and copayments for families, and establish other key aspects of program design. States may also establish priorities and additional eligibility criteria, but these criteria cannot discriminate against children on the basis of race, national origin, ethnic background, sex, religious affiliation, or disability.

States, Territories, and Tribes must certify that, with the exception of relative providers, child care providers serving children funded by CCDF meet health and safety requirements. These requirements are set by States, Territories, and Tribes

and must address prevention and control of infectious diseases, including immunizations, building and physical premises safety, and minimum health and safety training.

Prior to the recent reauthorization of CCDBG, CCDF Lead Agencies were required to use 4 percent of their CCDF funding for quality enhancement activities to improve child care and other services to parents. The new law increases the spending requirement for quality improvement. These services include child care resource and referral services and consumer education to assist parents in selecting quality child care. Most CCDF Lead Agencies are making systemic investments, like developing quality rating and improvement systems, such as the Quality Stars in Mississippi, and professional development systems. Improving the quality of early childhood education for low-income children is a high priority goal for Congress and for this Administration. HHS tracks implementation of quality rating and improvement systems in states as a measure for this goal. These systems are designed to give families clear information about the child care they are selecting for their children, and promote access to high quality, developmentally appropriate child care. The goal is to enhance children's readiness for school and subsequent academic success.

HHS plans to issue new regulations to implement the CCDBG Act of 2014, but is unable to discuss them at this time.

HHS is committed to promoting and ensuring that all eligible individuals have access to human services programs, including the CCDF, without facing unlawful discrimination. Within HHS, the Office for Civil Rights (OCR) has lead responsibility for enforcing Federal laws and regulations that prohibit discrimination. Any individuals who believe that they have been discriminated against by a State or local government human services agency may file a complaint with OCR in writing, either on paper or electronically via one of the following methods:

1. the OCR Complaint Portal available at: <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>; or
2. by mail, fax, or e-mail to the OCR Central or Regional Office. Contact information is available at: <http://www.hhs.gov/ocr/office/about/rgn-hqaddresses.html>

For more information on the complaint process, see: <http://www.hhs.gov/ocr/civilrights/complaints/index.html>

Thank you for your interest in child care programs in Mississippi. I would be happy to answer in writing any follow up questions on CCDF which the Committee may have.

Sincerely,



Rachel Schumacher

Director, Office of Child Care

**From:** Schumacher, Rachel (ACF) [REDACTED]  
**Sent:** Friday, October 09, 2015 3:33 PM  
**To:** Melissa Wojnaroski  
**Subject:** RE: Mississippi Advisory Committee.pdf

Dear Melissa:

Hello, and I hope you are well. I am providing information in response to your email. I hope this is helpful. Please let me know if you need any more information.

Section 658G of the reauthorized Child Care and Development Block Grant Act of 2014 increases the minimum quality spending requirement for States from 4 to 9% of their Child Care and Development Fund (CCDF) amount phased-in over 5 years. In addition, States are required to spend at least 3% of their CCDF award on activities to improve the quality of infant and toddler care. This 3% set-aside for infant and toddler care is in addition to the 9% quality set-aside. The increase in the minimum quality set-aside begins in FY 2016. The infant and toddler quality set-aside begins in FY 2017. The table below describes the phase-in of the quality set-aside increase.

Federal Fiscal Year	% Quality Set-aside	% Infant and Toddler	Total Quality Set-aside
<b>FFY 2016</b>	<b>7%</b>	--	<b>7%</b>
<b>FFY 2017</b>	<b>7%</b>	<b>3%</b>	<b>10%</b>
<b>FFY 2018</b>	<b>8%</b>	<b>3%</b>	<b>11%</b>
<b>FFY 2019</b>	<b>8%</b>	<b>3%</b>	<b>11%</b>
<b>FFY 2020 (and ongoing)</b>	<b>9%</b>	<b>3%</b>	<b>12%</b>

The quality funds may be spent on a tiered quality rating system such as a QRIS or other allowable quality improvement activities. Specifically, the law indicates that the quality funds must be spent on at least one of the following 10 activities:

1. Supporting the training and professional development of the child care workforce;
2. Improving on the development or implementation of early learning and development guidelines;
3. Developing, implementing, or enhancing a tiered quality rating system for child care providers and services;
4. Improving the supply and quality of child care programs and services for infants and toddlers;
5. Establishing or expanding a Statewide system of child care resource and referral services;
6. Supporting compliance with State requirements for licensing, inspection, monitoring, training, and health and safety;
7. Evaluating the quality of child care programs in the State, including evaluating how programs positively impact children;
8. Supporting child care providers in the voluntary pursuit of accreditation;

9. Supporting the development or adoption of high-quality program standards related to health, mental health, nutrition, physical activity, and physical development; and
10. Other activities to improve the quality of child care services as long as outcome measures relating to improved provider preparedness, child safety, child well-being, or kindergarten-entry are possible.

The National Center on Child Care Quality Improvement, a technical assistance provider of the Office of Child Care, produced a document that outlines different approaches and State examples for implementing elements of QRIS, including approaches for providing supports and financial incentives to programs. This document is available at: <https://childcareta.acf.hhs.gov/resource/qr-is-elements>

Rachel Schumacher  
Director, Office of Child Care  
Administration for Children and Families  
U.S. Department of Health and Human Services  
901 D Street SW, 5th Floor East  
Washington, DC 20447  
(202) 690-6782  
Sign up for OCC announcements.

-----Original Message-----

From: Melissa Wojnaroski [<mailto:mwojnaroski@usccr.gov>]  
Sent: Friday, September 25, 2015 5:37 PM  
To: Schumacher, Rachel (ACF)  
Subject: RE: Mississippi Advisory Committee.pdf  
Importance: High

Hi Rachel,

Thank you again for submitting this. The Committee will be issuing its advisory memo resulting from this inquiry shortly. In the meantime, I did have a follow up question for you: you mentioned in your statement that the previously required minimum of 4% spending on enhancement activities would be increased with the implementation of the CCDBG Act of 2014. Do you know yet what the new requirement will be?

Also, the Committee heard a number of concerns about the current Quality Rating and Improvement System (QRIS), which serves this purpose in Mississippi. Specifically, the Committee heard concern that African American providers in Mississippi are systematically rated more harshly than White providers. In addition, because provider reimbursement rates depend on the quality rating of the center, those providers with the lowest ratings, who serve primarily African American families, have the least resources with which to improve.

Could you comment on these concerns? What constitutes "quality improvement" for the purposes of this requirement? For example, instead of using the funding to support a rating and incentive system, could the requirement be fulfilled by providing direct funding to centers in need of structural and quality improvements? Could you provide examples of a few different approaches different states are using to fulfill this requirement?

Thanks,  
Melissa

--

Melissa Wojnaroski  
Civil Rights Analyst  
U.S. Commission on Civil Rights, Midwest Regional Office  
55 W. Monroe, Suite 410 | Chicago, IL 60603  
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Email: mwojnaroski@usccr.gov  
Web: <http://www.usccr.gov/>

-----Original Message-----

From: Schumacher, Rachel (ACF) [REDACTED]  
Sent: Wednesday, May 13, 2015 11:11 AM  
To: Melissa Wojnaroski  
Subject: Mississippi Advisory Committee.pdf

Dear Melissa:

Attached please find a statement from OCC in response to the Advisory Committee. Please let me know if there are follow up questions.

Sincerely,  
Rachel Schumacher



## **Introduction:**

**The federal Child Care and Development Block Grant (CCDBG) is intended to help low-income working families afford child care so parents can work and children can get quality early childhood services. Due to extremely high poverty rates and the nation's highest prevalence of low-wage jobs, two-thirds of Mississippi's working families qualify for CCDBG services.**

**Mississippi poverty statistics reveal deep racial and gender inequities. While MS has the highest child poverty rate in the nation at 35%, rates show deep racial inequities when reported by racial group: 16% for white children compared to 51% for black children. And 76% of Mississippi's poor children live in families headed by single moms.**

**The CCDBG target demographic in Mississippi is primarily Black families with young children headed by single mothers.**

**In my testimony I will demonstrate that Mississippi serves only a fraction of families eligible for CCDBG, fails to maximize CCDBG services to this population, and sets policies that obstruct, thwart and harm parents and providers who rely on CCDBG.**

**Mississippi's history with regard to federally funded public benefits for the poor and racially inequitable poverty statistics combine with the CCDBG context of inadequate investment and policies harmful to those who rely on CCDBG to raise questions about the impact of race on Mississippi's CCDBG program - questions that require further investigation.**

**I hope that raising these issues with the Mississippi Advisory Committee to the U. S. Civil Rights Commission will offer us an opportunity to continue this inquiry together and lead to strategies to address any race-based inequities and harmful practices we may identify.**

## **What is CCDBG?**

The Child Care and Development Fund Block Grant (CCDBG) is a federal block grant awarded to states to provide child care services for low-income working families. The block grant is intended to help low-income working families offset the cost of child care and also to improve the quality of child care. As a block grant, many specifics of implementation are left up to the states.

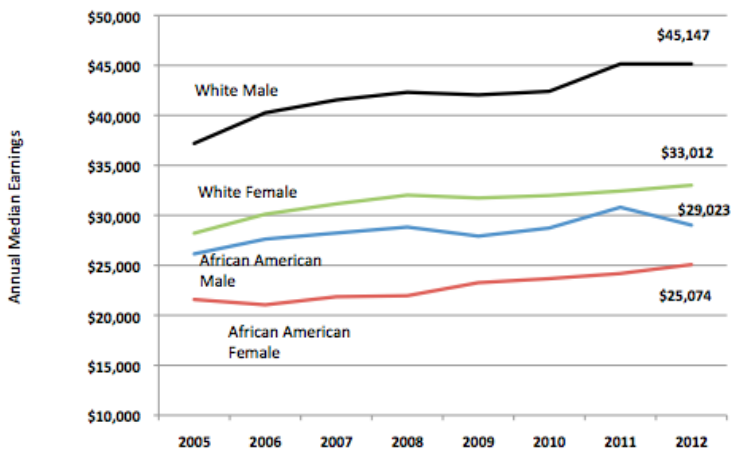
### Why is CCDBG needed?

Child care is very expensive. Private child care tuition can cost as much as community college tuition. For example, in Mississippi the average child care fee for a two year old child is \$3910/year compared with \$2300/year for tuition at Mississippi Gulf Coast Community College.

### Who is CCDBG targeted to benefit?

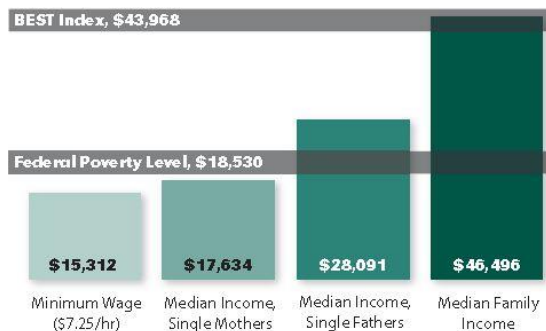
The CCDBG child care program is targeted to families where parents are working, but earning incomes below 85% of the state median income, incomes too low to afford the full, high cost of child care.

Wages for all workers are low in Mississippi. There are significant gender and race inequities in earnings in Mississippi as shown in the chart below developed by the Mississippi Economic Policy Center (MEPC):



Source: MEPC analysis of US Census American Communities Survey data, includes civilian employees 16 and older employed full-time

Mississippi women on average earn less than men at every level of educational attainment and throughout almost every industry. And while women make up half of the state’s workforce, women make up 80% of the state’s workers earning minimum wage. This makes it difficult for families to earn their way out of poverty through work, especially if the family is black or if the family is headed by a single mother.



Sources: US Census Bureau, 2009 American Community Survey; US Department of Health and Human Services, 2011 HHS Poverty Guidelines. Values inflated using the Consumer Price Index.

Note: BEST Index values are those for workers with benefits. “Benefits” include unemployment insurance and employment-based health insurance and retirement plans.

### **What role does CCDBG play in Mississippi's early childhood delivery system?**

Working parents need full-time, full-year child care for their children so they can work. Parents have to buy this child care by paying private tuition. As noted above, this tuition is expensive and unaffordable for a low-wage earning working parent. CCDBG gives eligible parents vouchers that parents can use to buy their child care. The vouchers pay part of the fee based on a sliding fee scale set by DHS.

There are two other programs that help parents get early childhood services: Head Start and prek. These are early childhood education programs that focus on meeting children's educational needs, not on providing parents with child care that supports employment. This is an important distinction because prek and Head Start typically operate only 6 hours per day during the school year. This part-time schedule is not a child care solution for working parents. In fact, part-time schedules can make child care arrangements more difficult for low-wage parents to arrange and afford where the parents have no job flexibility.

### **How well is CCDBG working in Mississippi?**

**As a block grant, CCDBG yields most rule making decisions to the state.** Governors choose state lead agencies for CCDBG. In Mississippi, the Governor has chosen DHS where the Governor appoints the Executive Director and DHS has no Board of Directors. DHS makes all the CCDBG policy decisions internally – eligibility, application procedures, reimbursement rates and methods, etc. These policies are laid out in the DHS child care policy manual. DHS uses CCDBG funds to issue vouchers to eligible parents to offset their tuition costs. The value of these vouchers is based on a sliding fee scale set by DHS according to family size and family income.

**CCDBG vouchers significantly reduce child care costs for low-income working parents.** For example, a single mother earning minimum wage (\$15,080/year) with a two year old child and an infant would have her child care costs reduced by CCDBG vouchers from \$7980/year down to \$3380/year. The MS Economic Policy Center reports, "Since child care is one of the major expenses for families with children, the addition of a child care subsidy generally provides the greatest relief of any work support."

To qualify for a voucher parents must be working and/or in school, and earn an income at or below 85% of Mississippi's median income, an income level about the same as 200% of the federal poverty level.

### **CCDBG yields multiple economic benefits to the state.**

Much research has been done to document the positive economic benefits of child care. We know from Mississippi employment data that thousands of Mississippians are able to work because they have child care. Employers report that reliable child care reduces worker absenteeism and re-training costs, and increases worker productivity. The Institutions for Higher Learning (IHL) estimates that thousands more would enter the workforce *if* they had affordable child care. IHL also estimated that child care contributes nearly \$1 billion directly and indirectly through job creation, personal income and general fund revenue into the Mississippi economy.

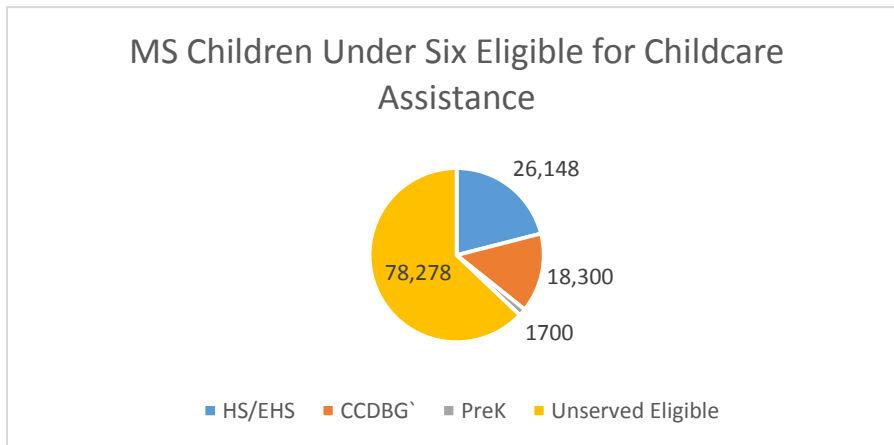
Mississippi policy makers tout job creation and economic development as top priorities. This body has spent millions on economic development projects to attract jobs to the state. One example shows a

\$175 million investment to lure 2 companies to create 1800 jobs, a cost of over \$92,000 per job. Expanding CCDBG would cost about \$2000/job for the parents and the child care workers.

**The reach of CCDBG is drastically limited relative to the size of Mississippi’s eligible population.**

According to the National Center for Children in Poverty there are 239,567 children under six in Mississippi. 149,642 of them live in families below 200% of poverty, an income that qualifies the family for CCDBG assistance. 124,426 of them live in families where the parent(s) work(s).

According to HHS Mississippi served a monthly average of 18,300 children in federal fiscal year 2013. HHS reports 26,148 Mississippi children in Head Start, and the Department of Education reports that 1700 are enrolled in MDE pre-k local collaboratives. This leaves 78,278 children unserved.



**The number of children served by CCDBG has shrunk significantly since 2010.**

While the federal funds used by Mississippi to serve children have shrunk by 28% since 2010 (due primarily to the temporary investment of and then loss of ARRA funds); services to children have been reduced by 46%:

FFY	CCDBG Children Served (as reported by HHS)	CCDBG funds expended (as reported by HHS)
2013	18,300	78,429,261
2012	19,500	74,446,338
2011	23,800	90,428,489
2010	33,900	108,977,645

**DHS has failed to use all available funds to expand the number of eligible families who need CCDBG services**

The CCDBG program in Mississippi remains significantly underfunded, and serves only about 15% of our state’s eligible children. Yet DHS does not use all available funds to expand the number of services to eligible children. Federal regulations allow states to use TANF welfare funds for child care by transferring a portion of the TANF grant into the CCDBG grant, and by using TANF funds directly for child care.

Mississippi transfers a portion of TANF funds into CCDBG. MLICCI has advocated that DHS use more TANF funds to expand the supply of CCDBG services to eligible families. Child care is the work support that research has shown to make the most significant difference in moving families off welfare and supporting their successful transition into work. In fact, research shows that welfare recipients are 82% *more* likely to still be working two years after leaving welfare *if they receive a child care subsidy*. Yet DHS resists using more TANF funds than are already being used for child care.

Reports from HHS show:

Federal Fiscal Year	TANF – Unliquidated obligations	TANF – Unobligated balance	Total unspent TANF	Estimated number of children this total could serve if used for CCDBG child care
2010	\$8,964,807	\$30,545,051	39,509,858	9877
2011	7,424,666	\$8,889,324	16,313,990	4078
2012	5,617,940	\$12,867,051	18,484,991	4621
2013	4,027,624	7,865,405	11,893,029	2973

MLICCI has long advocated that DHS use additional TANF funds for child care and that this use would be preferable to leaving millions in TANF funds unspent year after year. DHS has consistently responded that these numbers are not accurate. Again, the source of these numbers is HHS.

**DHS policies are harmful to those who rely on CCDBG.**

**1) DHS has opted to enact rules and programs that are harmful to parents and providers who are in the CCDBG program**

MLICCI commissioned a study from the Urban Institute entitled, “Designing Subsidy Systems to Meet the Needs of Families.” This study includes guidelines for states to use to in developing their CCDBG rules to be responsive to family needs for affordable and reliable care. The report includes a guide for determining whether a state’s rule makes it easier or harder for families. Based on these guidelines, many of DHS’ rules make it harder for families.

There are several examples of rules and programs having a harmful impact on those using CCDBG who are primarily black. These include: a) the child support requirement that harms single parents specifically, b) the financially harmful quality rating system, and c) the decision to implement only one component of the paired program TEACH and WAGES.

**a) The child support requirement harms single parents specifically.**

DHS requires that single parents prove they have initiated legal action against the absent parent for child support before the parent can qualify for CCDBG child care assistance. MLICCI found through a survey that 70% of those using CCDBG opposed this rule, but DHS imposed the rule nonetheless. The deterrent impact of this rule is evidenced by the fact that upon its going into effect, the waiting list for CCDBG child care dropped from over 10,000 children down to 204. New York provides an example of another state that applied the child support rule and reversed it after realizing its harm on those who

most need CCDBG child care assistance. Despite many appeals to reverse this rule, DHS continues to apply this rule.

This example is particularly revealing in its harm to black single mothers. All single mother headed families fare worse economically than two parent headed families. Black women headed single families fare worse economically at a greater rate than white women. Black women on CCDBG are far more likely to be single mothers, and single working mothers are the parents who need CCDBG most.

**b) The financially harmful quality rating system**

Not all licensed child care centers in Mississippi participate in CCDBG because not all are willing to comply with CCDBG rules set by DHS and accept CCDBG vouchers as payment (reimbursement rates remain about 60% below Mississippi's market rate). Those that accept and rely primarily upon CCDBG vouchers as revenue are, predominantly, those operated by black women, staffed by black teachers, located in low-income black communities, and serve black children.

Parents are allowed to choose licensed or unlicensed providers as long as the provider has an agreement with DHS to comply with CCDBG policies set by DHS. In Mississippi, parents choose to buy their care from licensed centers by a rate of 87% compared to unlicensed providers at a rate of only 13%.

CCDBG reliant child care centers are small businesses. They operate on revenue from fees charged to the parents they serve, who are low-income workers with a limited ability to pay fees high enough to finance center operations. Typically, all their parents have applied for CCDBG vouchers. Due to the small reach of CCDBG, it is typically the case that only a small portion of their CCDBG-eligible parents receive vouchers. Of those who have applied, most remain on lengthy waiting lists. For those who do have vouchers, their providers often receive payment reimbursement on an unpredictable basis. This leaves CCDBG reliant providers at great financial risk. MLICCI surveys have shown these providers suppress their rates and often engage in payment arrangements that include bartering for services to make their services affordable for the families they serve. This business sector is so fragile they were deemed too high-risk for Hope Credit Union, a community-based financial institution that targets businesses that are too high-risk for commercial lenders.

At a time when child care centers are struggling to remain financially viable as they serve parents who cannot pay higher fees, DHS is pressing forward with a quality improvement system that is expensive to implement and DHS is not providing the financial resources necessary to help centers pay these costs.

The Mississippi Low Income Child Care Initiative (MLICCI) completed a demonstration project in which costs were calculated to be on average \$11,500 per classroom to meet the quality improvements in the system designed by DHS. Centers serving low-income families do not have this much money or access to this much money to finance quality improvements. DHS is not providing the financial resources required to meet these quality improvements. Yet DHS is pressing centers to be rated and to have these ratings made public in order for parents to use these ratings to choose where to buy their care. DHS is using the quality rating and improvement system in ways that harm the financial viability of CCDBG reliant child care centers.

The harm is falling heaviest on those centers with the least financial resources. These are centers reliant on CCDBG. Many of these centers already face hardship with the limited reach of CCDBG. Taking on

additional costs under the new rating system will place them at greater financial vulnerability, resulting not only in a negative economic impact on the community, but also a reduction in childcare options in an already limited environment. These are centers located in and serving children in Black communities.

**c) Implementing only one component of the paired program TEACH and WAGES.**

DHS implemented a portion of a child care workforce development model from North Carolina that is, in its entirety, TEACH and WAGES. TEACH provides scholarships to child care workers. WAGES provides stipends to workers who earn higher certifications and degrees as both an incentive and a reward. WAGES is coupled with TEACH in recognition of the fact that child care centers cannot afford to raise wages when staff earn higher degrees. In Mississippi child care centers report losing workers to Head start and public schools when staff earn higher degrees precisely because child care centers can't afford to pay higher wages. Yet DHS is implementing TEACH, but not its critical partner element: WAGES. This creates a pathway that leads out of child care and into another early education sector or another field that pays wages commensurate with higher education levels.

Average Teacher Pay	
Child Care	15,080
Head Start	20,000
Pre-K	30,000

This not only fails to strengthen the child care sector but also further hampers it.

**3) DHS makes CCDBG policy decisions that are costly to CCDBG and based on erroneous stereotypes**

Organizational culture at DHS focuses the agency's primary responsibilities on preventing fraud and complying with federal mandates. The federal mandates are almost always presented as onerous and restrictive. In addition, the agency views clients who need the public assistance services administered by DHS as likely to commit fraud. This makes the rule-making focus heavily on fraud prevention. This results in rules that obstruct and deter rather than support and facilitate use of public assistance programs administered by DHS. Examples include the imposition of the child support and finger scanning rules.

In a state where benefits are meager and programs fail to reach more than a small subset of eligible recipients, DHS has spent large amounts of money to detect fraud even where there is no evidence or where it is not cost effective. The finger scanning example is one where the state was willing to spend over \$31 million to detect fraud even when the agency had no evidence fraud was occurring at a time when the waiting list exceeded 9000 children. A report MLICCI commissioned from the MSU Stennis Institute of Government states, " By 2012, all states (with the exception on NY) that had adopted finger imaging technology to administer SNAP benefits had abandoned these systems as being too costly and ineffective as a fraud prevention tool." At the same time other states were abandoning finger scanning, Mississippi DHS was aggressively pursuing it.

The new rule DHS attempted to enact was a requirement they called finger scanning, but users of CCDBG understood and experienced it as fingerprinting. The idea was that all adults – parents and those other adults the parent lists as authorized to drop off and pick up children – would go to the county DHS office to give their fingerprints and receive training on how the program works. This trip would be at the

parents' expense in transportation and time off work. Subsequently the adults would scan their fingers on a machine purchased by DHS but insured by the child care center to verify specific children's time and attendance. These finger scans would verify reimbursement payments made to centers for services rendered. Centers and parents were strongly opposed to this. MLICCI surveys documented that 70% of CCDBG users opposed this rule and that many also anticipated it would deter those who need CCDBG child care from applying. DHS pursued the rule nonetheless. Providers and MLICCI responded with a lawsuit to stop the implementation of the rule. At trial, DHS' representative testified that the purpose of the rule change was to prevent fraud. The DHS representative also testified that DHS had no evidence that the fraud this rule was to prevent was, indeed, occurring. In addition, according to the above referenced Stennis report, "USDA recently encouraged states to use alternative approaches (to finger scanning) out of concern that finger imaging has a chilling effect on applications by vulnerable populations." DHS pursued finger scanning nonetheless.

While the lawsuit to stop finger scanning prevailed on a technicality, it did not rescind the contract that DHS had with Xerox for the hardware and technological support for this fingerscanning system for \$31,509,200. This money could have served 7928 children at a time when 9000 were on the waiting list.

**The question before this committee is:**

**Is race an explanation, or part of the explanation, for why CCDBG child care receives less priority?**

With the exception of fingerscanning that is not now implemented in Mississippi and is only being implemented in CCDBG one other state – Louisiana – the harmful policies listed herein are, unfortunately, not uncommon in state CCDBG programs. But we know that CCDBG's target population in Mississippi is overwhelmingly Black and we know that Mississippi fails to invest, serves only 15% of those eligible, and sets policies that harm those reliant upon CCDBG. And we know Mississippi has deep and intractable racially inequitable poverty statistics.

Much social science research documents that human beings are less willing to extend public safety net services to those who are perceived as "other." This is particularly true in the United States. Martin Giles in his book "Why Americans Hate Welfare," illustrates that American's hostility to public assistance for the poor is a mix of individualism, media-supported stereotypes, and racial prejudice. John Powell, in his article "Poverty and Race through a Belongingness Lens," reminds us "(t)here is growing evidence showing that even programs and policies that are race neutral on their face will be resisted by a significant number of right-wing whites if they think non-whites will substantially benefit."

It is important to remember Mississippi's history regarding federally funded benefit programs. Conservative white Mississippians bristle at federally funded programs for the poor, seeing them as federal mandates to provide assistance for poor black residents. These attitudes tap into a deep well of white racism and hatred for the federal government as an enforcer of civil rights dating back to Reconstruction era resentments and civil rights movement advancements. Examples are numerous, but a couple that relate specifically to early childhood are relevant to cite. The state's elected leadership opposed Head Start in 1965 because the program was accused of being a "civil rights" organization. In the early 1970s a local service agency in Biloxi – after convincing the state to use federal funds for child care for low income working residents - shifted from an all-white private kindergarten to child care for black low-income working families. Their neighborhood responded with great hostility – going so far as to build a high fence around the offending playground.



Mississippi has a long history of making policy decisions based not on what is best for the state's people, but what will obstruct benefit to our state's black population. One such example is cited by Paul Krugman in "Conscience of a Liberal" where he discusses southern Democrats' crucial opposition to Truman's 1946 proposal for a system of national health insurance: "Southern politicians believed that a national health insurance system would force the region to racially integrate its hospitals. Keeping black people out of white hospitals was more important to Southern politicians than providing poor whites with the means to get medical treatment." MS' refusal to expand Medicaid that prevents an estimated 300,000 low-income working Mississippians from getting health care is another more current example.

With this context in mind, it is important to acknowledge that race does have an impact on how Mississippi shapes and operates and funds the CCDBG program. What impact? and what do we do about that? are questions that require further exploration.

I suggest that actions that could be taken to mitigate the state's intractable racial inequities would include: 1) serving more eligible children through CCDBG by increasing the TANF investment in CCDBG; 2) eliminating the child support requirement placed upon CCDBG eligible single parents; 3) reviewing CCDBG policies to find ways to ease access and retention of CCDBG services and eliminate policies driven by an erroneous stereotype that the majority of those served by CCDBG are guilty of fraud; and 4) increase financial support of child care providers reliant on CCDBG revenue to support their success in the state's quality improvement system and retention of staff who earn higher levels of education.

Another step we can take is to give a more meaningful role in CCDBG rulemaking to those who are impacted.

CCDBG is a block grant yielding most rule making decisions to the state. As noted above, the Governor has chosen DHS as the CCDBG lead agency. The Governor appoints the Executive Director and DHS has no Board of Directors leaving it to operate much like an arm of the Governor's office.

Those who use CCDBG child care have little input or influence in its rule making or operation. This results in a disparate power relationship between DHS and those parents and providers who rely on the CCDBG program in which parents and providers are treated with disregard and as potential perpetrators of fraud rather than the struggling low income working families they are. These attitudes are documented in a report of the Listening Project MLICCI commissioned from the National Equity Project. Providers reported in focus groups, "It's as if we don't count – there is no respect for child care providers." "People making the rules don't have a clue about poor and low income children and what they need." "We have policy issues because we are still a segregated community – policy doesn't consider that black children are the ones that really need help." "There should not be a racial divide." "We need less fragmentation and more communication among all the players." "The biggest challenge is the disconnect between those working on the state level and childcare providers on the ground." Etc.

The power imbalance between DHS and those who rely on CCDBG is tremendous. DHS makes the rules. Those who use and rely on CCDBG follow the rules.

MLICCI works to correct this power imbalance and also to strengthen the child care delivery system for users of CCDBG. MLICCI has completed research projects and commissioned reports that have yielded recommendations for improving the CCDBG program. MLICCI has shared these recommendations with DHS, including providing input and recommendations to DHS on every CCDBG state plan submitted to HHS. DHS has not, to date, adopted or responded to these recommendations.

It is our hope that DHS will realize, as John Powell notes, that, “a fair society requires us to put ourselves in the other person’s situation when making policy decisions.” The capacity for empathy could help heal the structural inequity at play in CCDBG.

Finally, the Mississippi context for CCDBG – the state’s history, racially inequitable poverty statistics, and CCDBG policy and funding decisions - raise questions about the impact of race on Mississippi’s CCDBG program - questions that require further investigation.

We invite the Mississippi Advisory Committee to the U. S. Commission on Civil Rights to work with MLICCI to continue to explore these questions, examine these issues, and work with us toward resolutions to problems and challenges herein described.

May 21, 2009

Jill Dent  
Office for Children and Youth  
Mississippi Department of Human Services  
750 North State Street  
Jackson, MS 39202

Dear Jill,

I am writing to provide input regarding Mississippi's Child Care and Development Fund (CCDF) Plan for the period 10/09 – 09/11.

The Mississippi Low Income Child Care Initiative is working to promote reforms in Mississippi's operation of the child care certificate program. We have heard from many parents and child care providers across the state that the program as it is currently operated is burdensome and includes multiple barriers to access and retention of certificates for parents and obstructions to payment to providers for services rendered. We also have solicited input from state and national experts in the field about how the program can be improved and expanded. This information is contained in the following attached documents:

- Key Reforms Identified by MLICCI Constituents (Survey, 2007)
- Investing in Futures (MLICCI, 2003)
- Mississippi Child Care Development Fund: Program Implementation Evaluation and Impact Analysis (MSU Stennis Institute, 2005)
- A Review of the Child Care and Development Fund (CCDF) Program in Mississippi (Performance Audit Division of the Office of the State Auditor, 2007)
- Designing Subsidy Systems to Meet the Needs of Families: An Overview of Policy Research Findings (Urban Institute, 2008)
- Broadening the Base: Strengthening Mississippi's Working Families, Businesses, and Economy Through Strong Child Care Systems (MS Economic Policy Center, 2008)
- Mississippi Child Care Quality Impact Study: Evaluation Report (Professional Associates, 2008)

We urge you to adopt the changes recommended in these documents. Specifically, we urge to you incorporate changes into the Mississippi CCDF State Plan as follows:

## **Part. 1. Administration**

### 1.3 Estimated Funding

- We are grateful to DHS for using the additional CCDF funds that came to MS through the federal stimulus package to eliminate the waiting list for child care certificate. Even though all children on the waiting may be served by this action, thousands remain eligible and in need of child care certificates and providers remain in need of financial support to participate in MCCQSS. We urge DHS to advocate for use of all other available stimulus funds to expand the supply of child care certificates and finance a grant program for child care centers to participate in the MCCQSS. (See also Part 5. Activities and Services to Improve the Quality and Availability of Child Care).
- We urge DHS to increase the amount of TANF funds used for child care certificates. States are allowed to transfer 30% of their TANF grant to CCDF. Mississippi only transfers 20%. States are allowed to use TANF funds directly on child care with no cap on the amount allowed. Mississippi has approximately \$30 million annually in unspent TANF money that should be used for child care in light of the large number of unserved eligible children and in light of the fact that child care is the work support that makes the most positive difference in supporting recipients' transition from welfare to work. A parent is 82% more likely to still be employed two years after leaving the welfare rolls *if* that parent has subsidized child care.
- We urge DHS to encourage MDA to identify low-income child care as a priority funding area in the Consolidated Plan for Community Development Block Grant (CDBG) funding for Mississippi and its Entitlement cities so that CDBG funds can be used to expand the supply of child care certificates so that more families can receive child care assistance.
- We urge DHS to pursue Child Care Access Means Parents in School (CCAMPIS) funding for every university, community and junior college in the state. Funding through CCAMPIS could expand access to child care in multiple low-income communities throughout the state. Simultaneously, low-income working families could upgrade their skills to earn higher wages.

### Part 1.4 Estimated Administration Cost

- The State Auditor's Office (OSA) recommends that MDHS review and compare their contracts from 1998 and current to verify that there have not been any such changes (*re: the 5% administrative cap in CCDF*). Should languages or services be changed now or in the future, OSA recommends the contracts be reviewed

again by ACF to provide MDHS assurance that MS is still in compliance with limitations on administrative spending.

### Part 1.5 Administration of the Program

- We urge DHS to require consistent application of the OCY Policy Manual across the state so there is no discrepancy between Designated Agents' regions. Examples of inconsistencies include the amount of time allowed between employment, documentation required at re-determination, whether parents are allowed to receive assistance with the application process, time spent on the waiting list, and communication between Designated Agents and parents varies from very helpful to very rude and antagonistic among the districts.
- We urge DHS to utilize a formula for distributing CCDF/TANF funding to Designated Agents based upon the number of eligible children residing in each region.
- We urge DHS to ensure that contract management procedures allow for transparent delivery of services by the Designated Agents
- We urge DHS to expand use of technology to simplify application, retention, and payment
- We urge DHS to eliminate Designated Agents' conflict of interest so that no DA issues and also awards to itself child care certificates.
- OSA recommends that OCY re-evaluate the contracts they have with the Designated Agents. They should consider adding relevant benchmarks, stronger controls, more detailed requirements and expectations, and make all requirements consistent with other State and federal policies and regulations in order to protect the State's interest.

## Part 2. Developing the Child Care Program

### 2.1 Consultation and Coordination

- We urge DHS to promote alignment of Mississippi's early childhood system and to correct the inequity in this system by increasing financial support for child care centers. In light of the absence of a state-wide pre-k program, Mississippi is reliant upon the existing early childhood delivery system to provide these services. Child care centers serve the largest number of pre-school children for the least amount of money per child, when compared to Head Start/Early Head Start and the Department of Education. These centers need to be equally funded so they can also meet similar standards. (See also Part 5. Activities and Services to Improve the Quality and Availability of Child Care).

- We urge DHS to provide contracts to *child care centers* that provide after school and summer care for Head Start children. While these funds have been awarded in the past, DHS has only made these funds available to Head Start programs despite the facts that Head Start programs have significantly more funding than child care as well as mandates to provide full-day, full-year services and to partner with child care centers. In a survey of child care providers conducted by MLICCI 63% of child care centers reported providing services to Head Start programs while only 5% of these centers reported receiving Head Start funds to help pay for these services.

### 2.3 Public-Private Partnerships

- We urge DHS to increase use of slot-based contracts. This allows providers to have a more stable revenue stream upon which they can project an annual budget and, therefore, stabilize their services to children and families. All providers should be given the opportunity to apply for these contracts. This should not be a non-competitive bid process limited to a small number of providers. (See also 3.1 Description of Child Care Services)

## **Part 3. Child Care Services Offered**

### 3.1 Description of Child Care Services

- (See also 2.3 above)
- We urge DHS to conduct a study of the uncompensated services provided by low-income childcare centers for purposes of re-evaluating the child care certificate program and use of CCDF/TANF child care funds.
- We urge DHS to link child care subsidies to other social service programs
  - Take a comprehensive approach to aligning systems
  - Link computer systems
  - Combine worker responsibilities
  - Link programs at particular stages in the subsidy process

### 3.2 Payment Rates for the Provision of Services

- We urge DHS to increase state reimbursement rate to the federally recommended 75% of the market rate.

### 3.3 Eligibility Criteria for Child Care

- We urge DHS to eliminate the child support requirement placed upon single parents. Since DHS imposed this requirement thousands of children have been eliminated from the child care certificate system. However, these are the families who need child care certificates most. No one is opposed to the need for personal

responsibility; fathers should contribute to the economic well-being of their children. However, we have heard many stories of instances where fathers who were supporting their children voluntarily lost their jobs when child support payments were taken out of their paychecks; or the father is unknown or his whereabouts are unknown. Finally, while there is an exception to the requirement in cases of abuse, this exception is not adequately publicized, and many women shy away from CCDF assistance because they are fearful of the child support requirement. There is no child support requirement for Head Start or public kindergarten. Both of these government-funded programs are analogous to child care assistance under CCDF. No such extra burden should be placed on single mothers who need child care assistance most.

### 3.4 Priorities for Serving Children and Families

- We urge DHS to make full-time students a higher priority and eliminate their work requirement
- We urge DHS to ensure that eligible children will be served for one year without being revoked when higher priority children apply.
- OSA recommends that OCY formalize their current waiting list reduction procedures in internal policy. OSA also recommends OCY re-evaluate any related policies and procedures to limit the amount of time each child spends on the waiting list where possible. Additional policies OCY should consider include a six-month assessment of each child on the waiting list to determine if the child remains in need of services, as well as to validate that a response was made by letter, by phone, or in person.

## **Part 4. Parental Rights and Responsibilities**

### 4.1 Application Process / Parental Choice

- We urge DHS to improve customer service practices
  - Make subsidy policies and practices more understandable to customers
  - Require local agencies to have customer service plans
  - Ensure that language and literacy levels are not a barrier
  - Conduct customer service surveys
  - Eliminate or reduce in-person visit requirements
  - Make it easier to get information to subsidy agency and to contact subsidy staff
  - Improve computer systems and other technological infrastructure
- We urge DHS to simplify the application process
  - Make applications easier to access
  - Make applications easier to complete and submit
  - Address the timeliness of eligibility processing
- We urge DHS to simplify the re-determination process

- Lengthen the authorization period
- Make it easier for parents to remember to recertify
- Make it easier for parents to get information to the agency
- Simplify what information parents have to report for recertification
- Give parents an extra chance before termination
- We urge DHS to simplify requirements for reporting changes before recertification
  - Simplify what needs to be reported
  - Make it easier for families to report
  - Identify other ways to get information
  - Only adjust subsidies with some changes
- We urge DHS to minimize inadvertent termination of child care subsidies from temporary changes in circumstances
  - Provide subsidies through gaps in employment
  - Short-term increases in income
  - Assist parents with fluctuating or nontraditional work schedules
  - Suspend subsidy payments during predictable periods of ineligibility
  - Simplify the process of retaining subsidies when changing eligibility categories
  - Delay or suspend co-payments
  - Address the unique needs of migrant families
- We urge DHS to improve Subsidy Access and Retention by:
  1. Assessing how well the system works in helping families access and retain subsidies.
  2. Identifying problems from (1) and then work backwards to identify the basic cause(s) of the problem(s).
  3. Think about the problems in the big picture and identify creative solutions.
  4. Implement the solutions and assess the results.
- We urge DHS to extend the re-determination period to 12 months.
- We urge DHS to eliminate terminations resulting from Designated Agents' loss of documents submitted
- We urge DHS to eliminate Designated Agents' improper influence of parents' choice of provider
- We urge DHS to allow providers to identify their own holiday days in response to parents' work schedules
- We urge DHS to create a seamless transition from TANF to CCDF
- We urge DHS to stagger certificate termination/re-issuance dates to the date of issuance, so that all child care certificates state-wide do not terminate on the same date. The current policy of simultaneous termination results in lengthy delays of up to six months to renew a certificate. This lengthy delay is especially harmful to



- child care providers who attempt to minimize disruption of services to families by continuing to provide services while certificate are pending re-issuance. This needs to be corrected to prevent system-wide disruptions and to prevent unreimbursed services.
- We urge DHS to remove language barriers for families and providers with limited English proficiency.
  - OSA recommends that OCY require each DA to hold at least one mandatory training seminar once a year to discuss all of the rules and regulations of the child care certificate program and address any concerns that the child care centers may have.
  - OSA recommends that OCY establish policy requiring DAs to return only incomplete documents or request in writing any missing information along with providing clear instructions that include contact information at the OCY DAs office. OCY DAs should strive to offer the best communication exchange possible when working with parents. In addition OCY DAs should maintain detailed records of communication with the applicant, including reasons for returning applications and denying eligibility. These files should maintain documentation of decisions about eligibility status.
  - OSA recommends that OCY establish policy requiring DAs to keep updated documentation that they informed parents and providers about the expiration of child care certificates. OSA also recommends that OCY require DAs to keep detailed records as documentation that appropriate action was taken, especially in the case of termination or denial of eligibility.
  - OSA recommends that OCY change current policy to require DAs to notify *both* providers and parents when a child care certificate is about to expire for any reason and if a child has been removed from the program. OCY should also require DAs to provide an explanation for the expired certificate, as well as keep documentation of the date a child is no longer eligible for the program and why eligibility ended.
  - OSA recommends that OCY establish a policy requirement for all DAs to maintain detailed documentation of all contact (phone, email, letter, fax, etc.) with parents, as well as maintain documentation when eligibility changes.

## **Part 5. Activities and Services to Improve the Quality and Availability of Child Care**

### 5.1 Quality Targeted Funds and Set-asides

### 5.2 Early Learning Guidelines and Professional Development

- See also 1.3 above

- See also 2.1 above
- We urge DHS to engage in a marketing campaign to connect child care workers to Workforce Investment Act funding to upgrade skills. The campaign to upgrade skills could focus on MS Child Care Quality Step System (MCCQSS) pilot areas to ensure that workforce training upgrades correspond with increases in reimbursement funds to connect workers to higher wages in exchange for higher education.
- We urge DHS to make funds available to low income child care centers to support their participation in MCCQSS.
- We urge DHS to make funds available to low-income child care centers for professional development for staff and corresponding wage increases.

We urge DHS to implement changes in the CCDF program highlighted in this letter and listed in the attached documents.

Thank you for your consideration of these issues. If you have questions or need additional information about any of these recommendations, please contact me.

Sincerely,

Carol Burnett  
Executive Director

-----Original Message-----

From: Deloris [mailto: ]  
Sent: Wednesday, April 29, 2015 7:11 AM  
To: Melissa Wojnaroski  
Subject: U.S. Civil Rights Commission

U.S. Civil Rights Commission

Civil Rights complaints filed on behalf of Childcare in Mississippi

Any agency that receives federal assistance from the Department of Human Services shall not discriminate under Title VI of the Civil Rights Act so 1964 based on race, color, national origin. National Origin Discrimination assist with Administrative procedures, to ensure that no one is deterred or denied eligibility from obtaining assistance.

Civil Rights of 1964 and its Amendments require That regulations also apply to any program which receive federal assistance ,money, property and other forms transferred or other federal assistance.

Section 691 of title VI of the Civil Rights of 1964, 42 CFR U.S.C.,

Provides that no person "on the ground of race, sex, color, or national origin, be excluded from participation in be denied benefits, or be subjected to discrimination under the program activity receiving federal assistance to any program or activity".

Section 602 forbid recipients from utilizing criteria or methods of administration which would have the affect of subjecting individuals to discrimination.

Executive Order 13116 was issued, Improving Access to Services to for Persons With Limited English Proficiency. Under Executive Order 13116 state that agencies must publish guidance on how the recipients can provide meaningful access to persons with Limited English Proficiency.

LEP have been excluded from participation in the childcare certificate program. MDHS has only provided a statement that a plan for implementing polices are being drafted. Persons who do not speak English as primary language who may be eligible to receive services with language assistance are repeatedly subjected to discrimination

Regulatory Flexibility Act

Require agencies to consider the impact of their rules on small businesses and evaluate alternatives that would accomplish the objectives of the rule without unduly burdening small entities when rules impose significant economic impact on substantial umber of small entities. RFA desire to move barriers to competition and encourage agencies to consider ways tailor regulations to the size of the entities.

RFA require that the agency determine the feasibility, the rule that apply to the economic impact on small businesses. Agencies are required to explore ways to reduce economic impact on small businesses an to explore regulatory alternatives to explain the reason for their choices. Regulatory Order 13272 require agencies establish procedures to comply with RFA.

Administrative procedure Act.

Section CFR 98.18. Require Lead Agency to request approval from the Department of Health and Human Services office of Administration of Children and Families whenever a "substantial" change in the Lead

Agency Approved Plan. Under the regulations the plan amendment must be approved no later than the 90th day of the change. The plan amendment must be submitted within 60 days of the effective day of the approved change. The Lead Agency and ACF must approved the Change in writing to extend the period.

A substantial change was made by MDHS to adopt the finger scan program contract with Xerox. MDHS did not submit a request before implementing the finger scan program.

Systematic Discrimination - involve policies or practices designed to broadly discriminate against agencies in a geographical area.

The Complaint procedure provided by MDHS has been designed to deny due process and Equal Access Systematically. The complaint process has been often confusing based on the agency interpretation in the Childcare State Plan, the Hearing Officer is the Director of the Mississippi Department of Human Services Department of Early Childhood Care and Development. The final decision is determined also by the Director of DECCD.

Persons that have appealed a final procedure by MDHS or go to court have required been required to pay a bond Bond. Many persons that have filed a petition in court have been unable to continue because of the amount required by the Bond.

Due Process Clause is an act that provide safe guard of persons that may be denied safeguards of life, liberty and pursuit of happiness or property by the government outside of the sanctions of the government. It covers the protection that entail rights from government interference under the law. The law provides a line between acts by a private person or private nature that are subject public regulations or legislation that reach beyond the interference by the government. Also the protection of individuals from coercion powers of the government by ensuring that adjudication under the valid laws are fair an impartial, the right to provide fair notice, the right to a fair hearing and the right to appeal

Title VI of the Civil Rights / Administrative Procedure Act Section 5.1, 5.1.c 1

A recipient under any program may not directly discriminate or through contractual or other arrangements on the grounds of race, color, nation origin, sex.

On August 29, 2012 Senator Albert Butler emailed a letter to Mr. Rickey Berry, Director of Human Services concerning Services provide concerning Federal Block funds.

On August 23, 2012 Senator Robert Jackson sent a letter to the Joint Commission on Performance Evaluations and Expenditure Review ( PEER Committee) concerning changes in the Childcare Program.

On September 14, 2012 MDHS filed an Administrative Procedure Notice with the Secretary of State of Mississippi, to propose an amendment to revise the Childcare Development Fund Policy and Policy Manual. The proposed change was to amend the State Plan that would require, a parent who receives a certificate to pay for subsidized childcare will be to submit to a finger scan program operated by Xerox. The purpose of the amendment according to MDHS was to prevent fraudulent accounts of a child's daily time and attendance.

A hand delivered letter was provided contesting the implementation of the finger scanning program. A public public hearing was held on October 10, 2012.

MDHS was advised that had not filed a an Economic Impact State under the Administrative Procedures Act. A notice was filed with a summary of the Economic Impact as required by Mississippi State Law.

A hearing was held on November 16, 2012. During the public hearing MDHS did not address any issues raised or questions previously raised by child care providers.

The failure to follow the Administrative Procedure Act impairs the fairness of the rule making process by U. S. department of Human Services and Mississippi Code Ann

On October 23, 2012, a Petition for Restraining Order, Preliminary Injunction and Decretory Judgment was filed on behalf of child care providers due to concerns and MDHS failure to file an Economic Impact Statement regarding the proposed amendment for the finger scan program. Mississippi Code Ann 25-43,103 (1) Section 43-105(1).

The petition stated MDHS did not put the notice filed on October 19, 2012 was not placed on the Mississippi Administrative Bulletin until placed on the Mississippi Administrative Bulletin until September 26, 2012.

Persons from Program Integrity also began monitoring and intimidating providers of Child Care centers.

On the day of the first court proceeding all TANF workers that were placed in Childcare Centers were removed without prior notice.

In retaliation All TANF workers were placed with contractor who received the contract for finger scan program with Xerox Program Integrity officers immediately began monitoring childcare for fraud.

Many providers felt intimidated and threatened because they were told that the department had he enforcement power to arrest them if they did not corporate.

MDHS violated the Administrative Procedures as well as the Regulatory Flexibility Act. The Act requires that an agency consider the impact that their rules will have on small businesses. RFA require that agencies evaluate alternatives that would not unduly burden small entities when the rule impose an economic impact on a substantial amount of small entities. Many small businesses were affected by the decision to finger scan.

Xerox Contractor retaliated by calling providers and stating that they will be terminated if they do not sign the contract agreement for the finger scan program. MDHS used Xerox to intimidate and coerce childcare providers.

Many providers centers were required to participate in Finger Scan because they were participating in a pilot program for The Quality Rating Program under a contract with Allied for Quality Innovation.

At the request of providers that wanted to terminate from the finger program. Judge Denise Owens ordered that providers that did not volunteer to participate and wish to terminate from the program could do so.

Many providers through written request asked that they terminate form participation in the finger scan program.

Intent or claims similarly situated persons should not be treated differently because of their race, color, national origin. The cause of action is to intentionally discriminate.

After that decision by Judge Owens MDHS simply decided to require all non-licensed in home child care providers to participate in Xerox finger scan program on July 1, 2013. Providers that did not want to sign up for finger scan was told that they would be terminated from the child care program.

Due to MDHS 's decision 2,300 two thousand three hundred in home providers fell to 300 non licensed in home providers. According to the Associated Press these requirement demonstrated desperate impact.

On July a letter was sent to Judge Owens asking that the plaintiff pay a bond of one million and six hundred dollars. The effort to require a bond also violate federal regulations by MDHS under sever Civil Rights Laws.

On August 15, 2013 a final decision by Judge Owens determined that licensed child care providers as well as non-licensed in home providers cannot be required to participate in the finger scan program operated by Xerox.

According to MDHS 2013 - 14 State Plan the requirement to finger scan still exist.

When speaking to an employee about and questioning why I not receive my check on time I was told I would not be having that problem if I had not filed a complaint for finger scanning. When I complained the Director Dr. Dent she stated that was what he intended to say.

Providers were being required to provide personal information to a third party contractor Xerox. Check and routing number, indemnification clause holding them harmless of having to pay for mistakes made by Xerox, extra expense for the cost of the machines if more than one, cost of placing the machine if it required extra equipment and cost of extra Internet if needed.

Xerox is a limited liability contractor. The subcontractor agrees to pay general contractor regardless of loss. Under a Indemnification Clause all risks are placed on the subcontractors. Loses may only be paid if the losses are the negligence of the contractor.

All providers were subject to these requirement to hold Xerox harmless under under the Contract. The amount of risk associated by the contract would have been a risk for providers if they signed the Xerox contract. Only Xerox and MDHS would haven been protected.

Special delivery contracts requiring a signature were mailed to all providers receiving childcare certificates. ( providers were called by Xerox employees and threatened that if we did not sign the contract with a certain period they would be terminated for participating in the childcare program.

Parent were asked to bring in people that would be picking up their children and provide their social security number as well as other information or they would be terminated from the child care certificate program.

Predominately white childcare providers that had provided services to low income children receiving certificates decided to terminate childcare service to students on the certificates program because they were being required to finger scan.

Open Meeting Act and and Public Records Act provide that all government meeting and records except those that specifically exempt must be open to the public.

The public has a right to inspect, copy or obtain any public record of a public body. The public body may adopt reasonable written procedures for the actual cost and time frame for providing records , copies, or inspection. Unless there is a agreement of both parties.

MDHS did confess that that the agency did not request input from parents, or public before deciding to spend funds for finger scan.

The state of Mississippi have put procedures in place the make it impossible to request information due to the unreasonable cost. The cost can be as much as \$1,000 dollars.

Childcare providers especially minority providers often left out of meetings concerning policies and procedures by MDHS which violate the Open Meeting Act.

It is a common practice of MDHS to discriminate under the many Civil Rights Acts.

A complaint was filed with U.S. congressman Bennie Thompson due to complaints from Childcare providers.

The Timeline of Congressman Thompson's Complaint are as follows:

November 29, 2012 - Congressman Thomas letter to the Secretary of the Department of Health and Human Services

January 25, 2013 Secretary Sibelius replied to Congressman Thompson, letter Indicating ACF will examine the complaint.

February 21, 2013- ACF and Mississippi Department of Human Services sent a letter to To MDHS transmitting the complaint and requesting a response within 60 days.

March 20, 2013 - MDHS provided a response to ACF

June 6, 2013 ACF held a conference call with members of MDHS Staff

July 3, 2013 MDHS submitted a second response to ACF

Changes made were as follows:

MDHS filed an amendment to its Child Care Development fund on July 1, 2013 to bring the plan in alignment with the States TANF policy regarding the definition or "reasonable distance. It was defined as within a 20 mile radius of the home or worksite. Other points raised by Congressman Thompson were to be addressed in August. Although the 2014 budget call for an increase in funding Of CCDBG under the re authorization MDHS has stated that under the proposed plan many families will not be served and policies will be more stringent for providers who receive certificate.

MDHS has not demonstrated good faith efforts to assist low income parents in Mississippi.

Sent from my iPad



**STATE OF MISSISSIPPI**  
Phil Bryant, Governor  
**DEPARTMENT OF HUMAN SERVICES**  
Richard A. Berry  
Executive Director

March 20, 2013

Mr. Eric Blanchette  
Child Care Regional Program Manager  
Administration for Children and Families  
Atlanta Federal Center  
61 Forsyth Street, SW  
Atlanta, Georgia 30303-8909

Dear Mr. Blanchette:

Please accept this letter as the Mississippi Department of Human Services' written response to the complaint filed by The Honorable Bennie G. Thompson, U.S. House of Representatives, alleging violation of federal regulations related to the administration of the Child Care and Development Fund (CCDF) and the Temporary Assistance for Needy Families (TANF) programs.

As stated by Congressman Thompson, the Mississippi Department of Human Services (MDHS) is the single state agency responsible for the Administration of the Temporary Assistance for Needy Families (TANF) and the Child Care Development Fund (CCDF). Mississippi operates a statewide work program, TANF Work Program (TWP), mandated by State law and TANF to provide work activities and supportive services (child care, transportation, and work-related expense payments) focused on enabling families to achieve the greatest level of self-sufficiency possible within the time constraints of receiving TANF.

The allegations posed by Congressman Thompson have been summarized and are outlined below, along with MDHS' response.

**Allegations 1, 2 and 4:** MDHS has failed to complete and coordinate the definition of TANF "Reasonable Distance" with the divisions of Field Operations and Early Childhood Care and Development, and inform clients of the definition.

**Response:** The Personal Responsibility and Work Opportunity Reconciliation Act passed by Congress in 1996, requires all adult recipients included in TANF grants that are not exempt to participate in allowable work program activities. When developing the TANF Work Program, MDHS realized that even though TANF supportive services are available, some TANF recipients



would have hardships that would hinder or prevent satisfactory participation. Therefore, MDHS included in its TANF policy a provision that allows a work eligible adult who demonstrates a hardship that cannot be resolved after all available resources are explored, to continue receiving TANF benefits for up to a maximum of 24 months. This policy is outlined in the TANF Policy Manual, Volume III, Chapter 8, pages 8110-8114, Barriers to TANF Work Program (TWP) Participation. TANF recipients are required to take personal responsibility to help identify and remove barriers to participation. According to this policy, an individual who identifies a barrier that will prohibit participation or hinder satisfactory participation will work jointly with the case manager to develop an action plan to remove the barrier. If the individual does not meet a work program exemption and all available resources have been explored but the barrier cannot be removed or resolved, the individual's mandatory work program requirements will be discontinued and the work program status updated to inactive. In this situation, the case manager will review the case monthly to determine whether a resource is available to address the barrier. A face-to-face interview is required at least every 90 days to ensure the individual is aware of the impact that the inactive status has on the 24-month time limit for receiving TANF benefits.

Volume III, Chapter 10, page 10065, defines available child care services within a 20-mile radius of the parent's home or worksite to be a reasonable distance. If appropriate and affordable child care services are not available within a 20-mile radius, the work program requirements may be discontinued and the individual's participation status changed to inactive based on the policy in Chapter 8 (above paragraph.) This policy also allows for a maximum of 30 minutes in travel time each way to access child care services when determining the individual's total daily work program participation hours.

**Allegation 3:** MDHS discriminates against select TANF parents and their chosen child care providers.

**Response:** The TANF Policy Manual, Volume III, Chapter 10, page 10067, defines the two types of child care services utilized for eligible TANF families (TWP) and TANF Transitional families (TCC).

The MDHS case manager must determine the appropriate type of child care needed for each child based on the parent's weekly work schedule, 30 minutes travel time each way to access child care services, and the age of the child(ren) needing care.

Full-time care is requested for:

- A child less than age five (5).
- A school-aged child (age 5 or older) whose parent is participating in work program activities or working non-traditional hours (6:00 p.m. – 6:00 a.m.) Monday – Friday or weekends.

Full-time/Part-time care is a combination of full-time and part-time child care services and is requested for:

- A school-aged child (age 5 or older) who attends school and needs a combination of part-time and full-time care. Part-time care will be needed after the school day ends. Full-time care will be needed when the school is closed for holidays and breaks and for the summer months. The child care provider will be responsible for coding the electronic ledger according to the child's daily attendance hours.
- A child less than age 5 who attends a Head Start Center during regular school hours and needs after school care.

Based on the above definitions, all TANF eligible children under age five receive full-time child care services. Eligible children age five or older receive a combination of full-time and part-time care. Exception: A child under age five who attends a Head Start program will receive a combination certificate based on school status.

**Allegation 5:** MDHS has failed to investigate violation of TANF "parental choice".

**Response:** The TANF Policy Manual, Volume III, Chapter 10, page 10064, allows eligible TANF parents to select child care services from a wide range of child care providers that have been approved for program participation by the Division of Early Childhood Care and Development (DECCD). Parents or caretaker relatives may select a center-based, group home, family child care (in-home or out-of-home), and non-relative (in-home or out-of-home) provider.

The case manager will assist the parent/caretaker with assessing the family's child care needs and, upon request, provide a list of approved child care providers to parents who do not have a ready choice or direct the parent to the DECCD website.

A parent who wishes to use a child care provider that has not been approved for program participation by the DECCD, will be required to choose a provider from the approved list, if child care services are needed immediately, while the provider of choice completes the DECCD application and approval process. Once the provider of choice is approved, the parent may request to change providers.

However, TANF Policy (Chapter 10, page 10062) states that a TANF parent who is participating in the Child Care Certificate Program and is employed by or placed as a volunteer at the same facility as her child(ren) cannot provide direct care to her own child(ren). The child(ren) cannot be included in a group assigned to the parent in order to maintain the adult/child ratio required by the Mississippi State Department of Health.

**Allegation 6:** MDHS has failed to adhere to published TANF policy as outlined in Mississippi Volume III regarding: honoring or processing all job retention bonus payments prior to February 15, 2012; and increasing the work stipend for participants moving from a 25 hour per week activity to a structured training scheduled for 40 hours per week.

**Response:** MDHS implemented a policy change effective February 15, 2012, to discontinue offering job retention bonus payments due to the elimination of the TANF Supplemental Grant (refer to Volume III, Chapter 10, pages 10090 – 10094.) Applications received on or after

February 15, 2012, will be denied. Households that were approved for such payments prior to February 15, 2012, will continue to receive up to the full five (5) payments according to the established payment schedule, if eligible. If the individual becomes ineligible due to job loss, permanent reduction in work hours, or failure to provide continued employment verification as required, the job retention program will be closed. The individual will lose any unpaid bonus payments.

In a situation where a case review reveals that an application received prior to February 15, 2012, was not processed, the application will be processed and, if eligible, job retention bonus payments will be issued accordingly.

MHDS' policy for work (transportation) stipend payments is located in Volume III, Chapter 10, pages 10030 - 10054. The monthly work stipend amount is determined on a case-by-case basis, based on the total scheduled hours per week a participant is scheduled to participate. Work stipend policy is uniform statewide. A partial payment may be authorized based on the day of the month the participant starts or stops the assigned work activity. If a participant has a history of noncompliance, the monthly maximum amount may be issued in two partial payments until the participant gains a good standing status.

- 32 to 40 Hours - \$300
- 26 to 31 Hours - \$240
- 20 to 25 Hours - \$180
- Less than 20 Hours - \$120

Transitional work stipends (TT) are limited to a onetime, lifetime maximum of 18 months. Individuals may apply for transitional work stipends within 30 days after the TANF case closes. Transitional work stipends can only be offered to one adult, included in the TANF case at the time of case closure. The TANF case must close due to earned income or loss of the three- or six-month earned income disregard. The adult must be working at least 25 hours per week at or above the federal minimum wage and need transportation assistance to remain employed.

Two notices regarding transitional work stipends are sent at the time the TANF case closes. Notice A803, TANF Transitional Work Assistance, informs the individual about the availability of and the requirements for receiving transitional work stipends. Notice A807, Appointment Notice for TANF Transitional Services, notifies the individual of the appointment date and time to meet with case management to discuss the eligibility criteria and the application process.

Monthly transitional work stipend payments cannot be prorated and the maximum monthly stipend amount is based on the following:

- 32 to 40 Hours - \$300
- 26 to 31 Hours - \$240
- 20 to 25 Hours - \$180

**Allegation 7:** MDHS is not required to increase TANF and CCDF block grant eligibility thresholds and has not since the Fair Minimum Wage Law of 2007, and thus, has created a new barrier to retaining employment and family self-sufficiency for lack of child care subsidy.

**Response:** The thresholds for income eligibility for TANF can only be changed by the Mississippi Legislature. DECCD was able to serve all applying families during the time that ARRA funds were available. From April 2009 through May 2011 there were more children on the program because of the ARRA funding. DECCD cleared the waiting list because of the extra funding. Once these funds expired, a waiting list was established for all families that were terminated due to the loss of funding and all newly applying families. Since that time, DECCD has experienced challenging budget obstacles, i.e. the delay of Federal budget approval until March for two years in a row. At the time of this response DECCD continues to face budget uncertainty as the CCDF budget for 2013 remains unapproved. DECCD contacted the Federal Technical Assistance provider to help develop a new plan for income thresholds, provider reimbursement rates, and parent co-payment amounts on June 4, 2012. While DECCD has begun the process to update income thresholds for families, the result will only be more families on the waiting list, as State and Federal funding levels remain inadequate to serve the need in our state.

**Allegation 8:** MDHS has denied equal access to child care programs for low-income children.

**Response:** As stated in response to Issue 7 of Representative Thompson's letter, DECCD began to study the issue of provider reimbursement rates in June 2012. This process is ongoing through support from our Federal Technical Assistants and the National Strategic Planning and Research Center. DECCD anticipates that this feasibility study will be completed by April 2013. DECCD recognizes the connection between reimbursement rates and child care quality and quantity. Previously mentioned budget obstacles have prevented major changes in this area, and continue to restrict increases that would otherwise be possible. It is important to Representative Thompson to recognize that Mississippi is not alone in this struggle. The Office of Planning, Research, and Evaluation in the U. S. Department of Health and Human Sciences Administration on Children and Families reported in 2012 that of the 55 states/territories with CCDF, only 9 are using current Market Rate Surveys to set their provider payment rates (Minton, Durham, Huber, & Giannarelli, 2012). In addition, of the 44 states/territories not using current year Market Rate Survey, 59% are using Market Rate Surveys from the same year (16%) or **older** (43%) than Mississippi (Minton et al., 2012).

Mississippi is currently serving 8,500 children of the working poor in the state. Many states only serve TANF, TCC, and foster care children with child care certificates. MS serves approximately 19,000 children with parents participating in TANF and TCC, children in foster care or protective services, children with special needs, children of deployed military in the MS National Guard or Reserve, children of teen parents, children served by Healthy Homes MS home visitation program, and children of working poor parents.

**Allegation 9:** MDHS has violated the Fair Labor Standards Act in payment to domestic servants/in-home providers.

**Response:** The CCPP reimburses providers for care they provide, and does not guarantee that those providing care are earning minimum wage. Providers are reimbursed a weekly rate for each child. It is up to the provider, as a business owner, to increase the capacity of children they serve to become reimbursed for more children, therefore, increasing their earning potential.

**Allegation 10:** MDHS has failed to adhere to its CCDF State Plan and the Child Care Policies Manual.

**Response:** DECCD policy has always stated that there were ten absent days allowable that would be reimbursed to licensed providers per federal fiscal year, even prior to bringing the program in-house. This allotment of reimbursable days increased from ten to fifteen in June 2012 (Division of Early Childhood Care & Development, 2012). Licensed providers are also reimbursed for eleven established holidays when the child is not present (Division of Early Childhood Care & Development, 2012). In total, children can be absent from the provider for 26 days of the year and still receive reimbursement for care. Former contracted agents for service delivery did not enforce this policy appropriately in all regions of the state, even though the policy was published in policy manuals intended to guide their work. The ultimate enforcement of an established policy did not require an Economic Impact Statement, as no change in policy was instituted. The issue of paid absences was central to the E-Ledger training that was provided around the state for all providers, and was included in the E-Ledger instructions posted to DECCD website in January 2012. Both of these occurred prior to DECCD bringing the program in-house.

**Allegation 11:** MDHS has violated the Mississippi Administrative Procedures Act.

**Response:** DECCD complied with all rules and regulations to file the State Plan, including policies surrounding biometrics in September 2012. This submission was approved by the Office of the Mississippi Attorney General prior to filing, per agency procedure. Hearings were scheduled, advertised and held in accordance with the Mississippi Administrative Procedures Law. All of this information was posted on DECCD's website and made publicly available.

Economic Impact Statements are required for programs that impose duties, responsibilities, or requirements on participants (State of Mississippi, 2006, sec. 25-43-3.105). Because the Mississippi Child Care Payment Program is completely voluntary for both parents and providers, no Economic Impact Statement was filed with the initial filing of the State Plan. At the request of providers, an Economic Impact Statement was completed and filed with the Mississippi Secretary of State's Office. In addition, the Economic Impact Statement was published on the DECCD website upon completion for ease of access by interested parties.

The rules surrounding the implementation of the biometric-based Mississippi eChildcare Program are clear and available on both the Mississippi Secretary of State and DECCD websites for interested parties to view. Any suggestion that these policies are false and published by DECCD to trick providers into supporting this program, only to be forced to comply with a pay-by-the-minute approach upon implementation are baseless and completely without merit.

DECCD has been conducting a successful voluntary pilot program with both licensed and unlicensed providers across the state. This pilot program has provided valuable information regarding a seamless transition to statewide implementation of Mississippi eChildcare.

Complaints by providers in regards to entering into a contract with Xerox were received by DECCD, and the contract was subsequently altered so that providers enter into a contract with the Mississippi Department of Human Services instead. The finger imaging equipment is the property of MDHS, and the contract holds providers accountable for the destruction of the equipment. The language in these contracts is very similar to the ones in place with food vendors for the SNAP program. Contracts are designed to protect equipment and do not bind providers into remaining a participating provider in any way. Providers apply to participate in this program, and can withdraw at any time. This remains unchanged by the addition of the Mississippi eChildcare Program.

DECCD and the Mississippi Department of Health, Division of Licensure both require written sign in/out sheets as verification of child attendance.

**Allegation 12:** MDHS has violated federal Codes of Conduct and Competition and Mississippi Ethics Law in the award of sub-grants.

**Response:** In 2011, MDHS went through the Request for Proposals process to select providers of the quality enhancement activities. DECCD uses an electronic method to receive proposals from interested agencies. Members of the proposal review process are also provided with electronic copies of proposals assigned to them for review. Through this process reviewers score proposals and send the results back to DECCD within a specified time frame. The scopes of services are reviewed and award letters are sent to the winning proposals. The RFPs are opened to any interested party, and submissions are not restricted in any way. The Governor's State Early Childhood Advisory Council (SECAC) is comprised of members appointed by the Governor due to their expertise in early childhood programming and initiatives. It is logical that this group of individuals is also qualified to apply for and be competitive for receipt of funding for early childhood quality initiatives. Two of the twenty members on the SECAC receive quality enhancement funds from DECCD. Both were awardees of DECCD prior to being appointed to serve on the Council.

At no time was the Governor's Early Childhood Advisory Council consulted about appropriate expenditure of funds issued by DECCD. Minutes from these meetings are available to the public and can support this statement.

The protest bond clause is not unique language to DECCD it is included in all of the Agency's RFPs. In addition, all information regarding the protest bond was included in the RFP publication for interested parties to review prior to submitting a proposal.

The instructions for uploading the proposals were included in the RFP language, and no questions were asked during the question and answer period about the directions.

**Allegation 13:** MDHS has failed to oversee the enforcement of all Mississippi State Department of Health (MSDH) child care licensing law.

**Response:** The Mississippi State Department of Health Division of Child Care Licensure is governed by the Board of Health. Mississippi Department of Human Services works with the Department of Health through an MOU (legislatively mandated) to deliver funding for operation of the Division of Child Care Licensure.

MDHS does not have any leverage to mandate directives of regulations for the MS State Department of Health to follow.

**Allegation 14:** MDHS has failed to demonstrate CCDF funds have been or will be apportioned among the political subdivisions throughout the state. It is not a federal requirement to maintain a waiting list. In fact, many states do not have a waiting list.

**Response:** DECCD has a waiting list of 8,000 children. Upon in-house operation of the program, DECCD was able to begin to add children to the program from the waiting list. The Director of DECCD used the waiting list, still divided into former Designated Agent regions to identify parents in each area that they were eligible for services.

**Allegation 15:** MDHS has failed to demonstrate at least 70 percent of CCDF mandatory and matching funds to provide child care services to three categories of families: those receiving public assistance under the new TANF program; families that are trying to become independent of public assistance through work activities; and families that are at-risk of becoming dependent on public assistance.

**Response:** MDHS, DECCD is using the funds that are appropriated for child care certificates on certificates. The Child Care Development Funds mandates the use of 4% of funds for child care quality enhancement and additional earmark funding for Infant and Toddler, School-age/ R&R, and Quality Expansion. All four of these funding streams are used on provider quality enhancement activities.

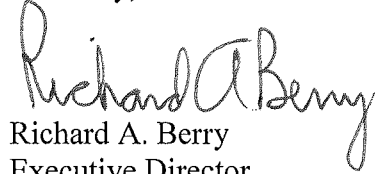
MDHS, DECCD did not incur expenses of \$13,000,000 on biometric machines. The agency received funding from the Governor's discretionary funds to purchase the machines at a cost of \$1,700,000. The cost of \$13,000,000 is the usage cost approved by the Information Technology Services Board to utilize for the services of Xerox in order to manage the time and attendance system for child care centers and in home providers over a period of five years. This is the maximum amount approved, and it is highly unlikely that DECCD will receive enough funding to enroll the number of children required to expend this amount over the five year contract.

The Xerox contract has been amended to include other agency programs to route payments to clients. This amendment has decreased the overall contract costs with the additional programming development. Other programs that use this contract are Child Support, TANF, Adoption Assistance, and Foster Care IV-E payments.



Should your office need additional information, please contact Cathy Sykes of my staff at [cathy.sykes@mdhs.ms.gov](mailto:cathy.sykes@mdhs.ms.gov) or 601-359-4888.

Sincerely,



Richard A. Berry  
Executive Director

cc: LaMonica Shelton

References:

Division of Early Childhood Care & Development. (2012). Mississippi Child Care Payment Program Policy Manual. Mississippi Department of Human Services.

Division of Field Operations. (2012) Mississippi TANF Policy Manual, Volume III. Mississippi Department of Human Services.

Minton, S., Durham, C., Huber, E., & Giannarelli, L. (2012). *The CCDF policies database book of tables: Key cross-state variations in CCDF Policies as of October 1, 2011* (No. 2012-51) (p. 363). Washington, D.C.: The Urban Institute. Retrieved from [http://www.acf.hhs.gov/sites/default/files/opre/ccdf\\_policies\\_database\\_2011\\_book\\_of\\_tables.pdf](http://www.acf.hhs.gov/sites/default/files/opre/ccdf_policies_database_2011_book_of_tables.pdf)

State of Mississippi. Mississippi Administrative Procedures Law. Mississippi Code of 1972 § 25-43-3.105 (2006).

**From:** "Tammy Forrester"

**To:** callen@usccr.gov, "Deborah Ellis"

**Sent:** Wednesday, May 20, 2015 6:08:55 PM

**Subject:** Re: MS Advisory Committee - Presentation materials from May 13, 2015

Hello Carolyn and Melissa, I called you yesterday about my center. I am Tammy Forrester and I own Tender Loving Care Creative Learning Center in Columbus, MS. 39702.

I have not been apart of QRIS since November 2012. We sent a formal letter to Dr. Darling and we even went all the way to Jackson and met with Dr. Jill Dent who was over DHS . She sent me the sweetest email after our meeting and my issues with QRIS. The reason I am sending this letter today is because I pulled off MDHS web site we are still listed and there is another center ABC & Me that is also listed as a one. So I called Anita Byrd and she said she talk to them but never was QRIS and they never did come and do an evaluation on her classrooms so how in the heck are they a one. I am sorry , I am pissed off when lies are told about me and funds for our children are miss used. We are the poorest,fattest state in the nation.

I just want you to know that 36% is a lie.This is the kicker for me, QRIS calls me this morning and tells me as of today we are no longer QRIS and we can't take the training that they provide. I call

Gale Lindsey back with QRIS and ask her to put that in writing and then she ask for the email from Dr. Jill Dent dated Nov 8, 2012 at 9:19PM where we withdrew. I replied I will see if I still have it in email. I do have a

hard copy. I am sending you the letter from Jill Dent. Thank you for your time. God bless & be safe.

P.S. If you do not know, this program is just not attainable and it is very expensive. I know I spent 10K to build a room to house all the material and the cost of material was 4K. We were a 3 star, all our scores were 6,7. Our education stop us at a 3. Now I have my BS if I ever decide to go back we would be a 5, but as you know only Ms State is a 5. All I can say is when we were QRIS they used our center as a training site. I have had at least 15 other centers that have called me and said they do not want QRIS back on there property. You just do not know how hard it is on the staff and the cost is phenomenal. In my last evaluation I quote" a toddler was climbing on chair and I replied no please do not climb you may fall and hurt yourself.

The report said "Teacher speaking harshly to child, NO DO NOT CLIMB" and Dr. Jill Dents reply was they are idiots. What were you supposed to do let the child fall and get hurt. And as for the African American centers that are my colleagues all around me it will never be attainable because of cost and it's just unrealistic.

Tammy Forrester,CD

**"Be who you are and say what you feel because those who mind don't matter and those who matter don't mind." - Dr. Seuss**

1/9/12

CableONE Mail - Re:



Tammy Forrester <[REDACTED]@cableone.net>

**Re:**

1 message

Thu, Nov 8, 2012 at 9:19 PM

**Jill Dent** <Jill.Dent@mdhs.ms.gov>  
To: Tammy Forrester <[REDACTED]@cableone.net>

I really enjoyed talking with you today. Your center is amazing. Make sure you take plenty of time to think about our discussion today. It is very clear that you and your staff have worked very hard to achieve and maintain three star rating. Your hard work is very apparent. I would like to have the chance to make this right, but I want you and your staff to be okay about it too.

Thank you for your time today.  
Jill Dent  
Sent from BlackBerry

**From:** Tammy Forrester <[REDACTED]@cableone.net>  
**Sent:** 11/07/2012 08:58 AM CST  
**To:** Jill Dent  
**Subject:** Re:

Hello Jill, I have a issue and I am going to be in Jackson Thursday the 8th. , I have a doc appointment at 1.00 and I need to speak to you. I have spoke to several people about my issue and they encouraged me to go see you. They said what happens is in several months you will get a report and wonder why so many people are leaving the program. so could you please call me at [REDACTED]. Its very important.  
Thank you,  
Tammy Forrester, TLC,INC.

On Wed, Oct 31, 2012 at 8:54 AM, Jill Dent <Jill.Dent@mdhs.ms.gov> wrote:

Can you get these signed and sent back? Thanks

**Jill Dent, Ph.D.**  
**Director, Division of Early Childhood Care and Development**  
**Mississippi Department of Human Services**  
jill.dent@mdhs.ms.gov  
[REDACTED]

"Your dream is not big enough if it doesn't scare you." Matthias Schmelz

Confidentiality Statement: The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential, proprietary, and/or privileged material. Any review, transmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and delete the material from all computers.

---Tammy Forrester <[REDACTED]@cableone.net> wrote: ---

https://mail.google.com/[REDACTED]

1/2

Never  
Even Came  
With Dad

withdrew  
for said

WOODLAWN CHILD CARE CENTER	1452 Highway 98 East	Marion	Columbia	39429	Doris	Hoffman	Enrolled
KID'S POINT CHILDCARE DEVELOPMENT CENTER	503 18th Avenue	Lowndes	Columbus	39705	Naomi	Edmonds	3
ABC & ME CHRISTIAN PRESCHOOL	3236 New Hope Road	Lowndes	Columbus	39702	Anita	Byrd	1
CHILDREN FIRST LEARNING DEVELOPMENT CENTER	1820 23rd Street North	Lowndes	Columbus	39701	Curley	Williams	1
COLEMAN HEAD START CENTER	723 - 22nd Street South	Lowndes	Columbus	39701	JoAnn	Richardson	2
FIRST BAPTIST W. E. SCHOOL	202 7th Street North	Lowndes	Columbus	39701	Bonny	Foreman	1
LISA'S CHRISTIAN LEARNING CENTER	1605 Gardner Blvd	Lowndes	Columbus	39701	Deletha	Stevenson	1
STEWART'S NURSERY & LEARNING CENTER	1013 20th Street North	Lowndes	Columbus	39701	Fred	Stewart	1
TENDER LOVING CARE	27 Reeves Road	Lowndes	Columbus	39702	Deborah	Wilkes	1
TOMORROW'S PRIDE	925 Tabernacle Road	Lowndes	Columbus	39702	Valerie	Sheffield	2
UNITED CHRISTIAN CHILD DEVELOPMENT CENTER	232 Yorkville Road East	Lowndes	Columbus	39702	Marilyn	Payne	1
YOUNG'S CHILD DEVELOPMENT CENTER	225 Byrnes Circle	Lowndes	Columbus	39701	Mable	Young	1
CONEHATTA EARLY CHILDHOOD CENTER	127 Choctaw Circle	Newton	Conehatta	39057	Agnes	King	1
JUST KIDS	13 RD 217-A	Alcorn	Corinth	38834	Tonia	Fowler	3
KIDZVILLE CHILDCARE AND LEARNING CENTER	101 Wenesoga Road	Alcorn	Corinth	38834	Judith	Awward	2
LITTLE BLESSINGS	901 N Filmore Street	Alcorn	Corinth	38834	Patsy	Henson	1
LOVE AND LEARN DAY CARE	851 Main Street	Lowndes	Crawford	39743	Joyce	Lowery	4
CRENSHAW HEAD START CENTER	333 East South Avenue	Panola	Crenshaw	38621	Phyllis	Sanford	2
BRUSHY CREEK HEAD START CENTER	617 North Jackson Street	Copiah	Crystal Springs	39059	Lavonne	Jones	Enrolled
EARLY HEAD START - JOB CORPS	400 Harmony Road	Copiah	Crystal Springs	39059	Delphine	Henry	Enrolled

This was pulled off MDHS web site to day may 20, 2015. TLL  
has not been QRTS since NOV 2012  
T. Forrester

**The Mississippi Quality Rating and Improvement System (QRIS\*)**  
**Quality Stars**

**FACT:** Children who attend **high quality** early learning centers are:

- More likely to be prepared for kindergarten, graduate on time, and attend college
- Less likely to repeat a grade, become a teen parent, drop out of school, be incarcerated, or have substance abuse problems

**FACT:** QRIS is administered by the Mississippi State University Early Childhood Institute through a competitive grant process from the Mississippi Department of Human Services Division of Early Childhood Care and Development (DECCD). The **voluntary** program has been statewide since 2009. QRIS evaluates administrative and classroom quality. Centers receive a rating of 1 to 5 stars.

**FACT:** QRIS criteria are requirements **above and beyond** basic licensure requirements. Participating centers must meet all licensure requirements to participate, and there is no cost to enroll in QRIS.

**FACT:** QRIS evaluates licensed child care centers that serve infants through preschool-aged children.

**FACT:** As of September 9, 2013, **522** licensed child care centers that serve infants through preschoolers are currently enrolled. This is **36%** of the eligible 1435 centers.

**FACT:** Of the **415** centers that have been evaluated, **Nine** centers are 5-star, **18** centers are 4-star, **35** centers are 3-star centers, **81** centers are 2-star centers and **272** centers are 1-star centers.

**FACT:** One of the administrative criteria at the 3-star center is that a center director must hold a director's credential approved by DECCD **OR** an **associate's degree** (AA) or higher in early childhood education, child development, or a related field from a community college. At least one staff member must hold a Child Development Associate (CDA) certification or higher degree.

**FACT:** Scholarships for the CDA program are available from the Mississippi Child Care Resource and Referral Network.

**FACT:** Two classrooms are evaluated using the Infant/Toddler Environment Rating Scale, Revised (ITERS-R) or the Early Childhood Environment Rating Scale, Revised (ECERS-R). These measures are internationally used, **research-based, valid and reliable** assessment tools. Child care centers must have an average score of **3.6 – 4.0** (on a 7-point scale) to earn a **3-star** rating. Of the 33 states that have QRS/QRIS, 30 of them use these rating scales.

**FACT:** A center moving from a 1-star to a 3-star that is meeting **all** licensure requirements **may** spend about \$3,000 in an infant classroom and \$4,000 in a toddler or preschool classroom, depending on the materials they already have, to purchase the materials required for a **3-star rating**. They must still meet the requirements of space, furnishings and accessibility to receive credit for the materials.

\* Quality Rating System (QRS)

**MISSISSIPPI STATE**  
UNIVERSITY

 Early Childhood Institute



*Mailed  
6/10/14*

**STATE OF MISSISSIPPI**  
Phil Bryant, Governor  
DEPARTMENT OF HUMAN SERVICES  
Richard A. Berry, Executive Director

Division of Field Operations  
Cathy Sykes, Director

Timothy Noonan  
Regional Manager  
Office of Civil Rights

Re: Transaction Number (TR#) 04-14-173525

Dear Mr. Noonan:

We are in receipt of your request for information regarding a complaint alleging the Mississippi Department of Human Services (MDHS) engages in unlawful discrimination based on race. The complaint made by Honorable Bennie Thompson alleges that MDHS treats the African American licensed child care providers (Affected Parties) differently than other similarly situated individuals by permanently barring the Affected Parties from serving as work site sponsors for the TANF Work Program (TWP).

The goal of the TWP is to assist nonexempt TANF recipients in gaining the greatest level of self-sufficiency possible within the time constraints imposed by TANF regulations. The objective of assigning a TWP participant to a work experience (AWEP) activity is to provide the individual an opportunity to acquire the general skills, training, knowledge, and work habits to be competitive in the job market and move more quickly into full time employment. Such placements may also be used to address behavioral problems such as attitude, personal appearance, grooming, etc. to promote job retention.

The county director in each county is responsible for developing and approving all AWEP work site sponsors by fully executing the Alternative Work Experience/Community Service Agreement (MDHS-EA-366). This agreement establishes the working relationship and identifies the responsibilities of case management in matching participants with positions related to their employment goals and the needs of the work site sponsors. It also includes work site sponsor requirements in providing daily supervision and training, weekly attendance verification reports, background checks, etc. The county director is under the supervision of a regional director who, in turn, is under the supervision of state office staff. TANF policy is disseminated from state office.

Our TANF policy limits AWEP placements to six (6) months per federal fiscal year, unless approved (written) by the regional director. Placements at child care facilities should not exceed a maximum of three (3) TWP participants at any given time. TWP participants placed at



the same child care facilities with their children are prohibited from working or caring for the same age group of their own children.

Based on the above factors, the high volume of TWP volunteers utilized by child care facilities, and the small number of TWP volunteers obtaining unsubsidized employment, I made the decision to discontinue placement of TWP volunteers at child care facilities effective March 1, 2013. A number of counties were using the child care facility as a "dumping ground" for TWP placements without regard to the participant's employment goal. The six-month time limit and limitation on the maximum number of TWP participants placed at child care facilities were not being monitored closely. The agency was also concerned about the need for background checks. Depending on the job duties and the number of hours a TWP participant might work, a background check may or may not be required causing the agency to be placed in a position of liability.

As requested, the following information is attached:

1. Form MDHS-EA-366, Alternative Work Experience/Community Service Agreement is attached. MDHS does not capture the race of the responsible person for each work site sponsor; therefore, a list of work site sponsors is not provided. If a list of providers, without race information, is needed, please let me know.
2. See attachment 1.
3. A copy of the email is attached.
4. Refer to the item #1 above for the work site agreement. Policy and forms are disseminated from the state office and cannot be altered by county staff.
5. Response to these allegations is addressed in the body of the letter.

In the past years, the TANF Work Program in Mississippi has far exceeded the 50% required participation rate and has been one of the top states in the nation. While we do want to meet the federal guidelines for the required rate, we also want to provide our TWP participants with an experience that will make them more competitive in the job market and improve their employment opportunities.

Please let me know if there are questions or if you need other information.

Sincerely,



Cathy Sykes, Director  
Field Operations

To: Earl Seales  
C: Jack Wilson  
Mark Smith

Judy Davis  
Cathy Sykes



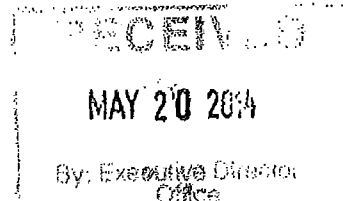
DEPARTMENT OF HEALTH & HUMAN SERVICES

Voice - (404) 562-7886, (800) 368-1019  
TDD - (404) 562-7884, (800) 537-7697  
(FAX) (404) 562-7881  
<http://www.hhs.gov/ocr/>

OFFICE OF THE SECRETARY

Office for Civil Rights, Region IV  
61 Forsyth Street, S.W.  
Atlanta Federal Center, Suite 16T70  
Atlanta, GA 30303-8909

May 14, 2014



Richard Berry, Executive Director  
Mississippi Department of Human Services  
750 North State Street  
Jackson, MS 39202

RE: The Honorable Bennie G. Thompson, U.S. House of Representatives, on behalf of African-American Licensed Childcare Providers v. the Mississippi Department of Human Services  
Transaction Number (TR#) 04-14-173525

Dear Mr. Berry:

Please be advised that the United States Department of Health and Human Services (HHS), Office for Civil Rights (OCR), received a complaint on January 7, 2014, alleging that the Mississippi Department of Human Services (MDHS) engages in unlawful discrimination on the basis of race. Specifically, the Honorable Bennie G. Thompson, U.S. House of Representatives, filed this complaint on behalf of African-American licensed childcare providers (Affected Parties). Representative Thompson alleges that the MDHS treats Affected Parties differently than other similarly situated individuals by permanently barring Affected Parties' from participating as worksite sponsors for the Federally-funded Alternative Work Experience Program (AWEP) and Community Service Temporary Assistance for Needy Families Work Program on the basis of race (CSTWP).

OCR is responsible for enforcing Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d *et seq.*, and its implementing regulations found at 45 C.F.R. Part 80 (collectively, "Title VI"), which prohibit discrimination on the basis of race, color, or national origin by recipients of Federal financial assistance through HHS. As a recipient of Federal financial assistance in the form of Medicaid and Medicare, MDHS is obligated to comply with the aforementioned statute and regulations.

OCR is initiating an investigation of the complaint allegations to determine if MDHS failed to comply with the requirements of the applicable regulations. To facilitate our investigation, we have attached a list of needed data and information and request that you submit your responses to us **within 30 calendar days of the date of this letter.** Please number each response to correspond with the number in the data request. We also encourage you to furnish any additional material you would like us to consider in determining your compliance status. If an on-site review is necessary, we will contact you or your designee to make appropriate arrangements.



Our authority to collect information in order to determine the compliance status of your entity is found at 45 CFR § 80.6(c), which states:

Each recipient shall permit access by the responsible department official or his designee during normal business hours to such of its books, records, accounts, and other sources of information and its facilities as may be pertinent to ascertain compliance with this part...

Please be advised that OCR's regulations prohibit an agency or institution from harassing, intimidating or retaliating against an individual who has filed a complaint or participated in the investigation of a complaint. Any such action may constitute a violation of 45 C.F.R. § 80.7(e), which applies to OCR investigations. We request that you take all necessary steps to assure that this prohibition is not violated in connection with this complaint.

Under the Freedom of Information Act, we may be required to release this letter and other information about this case upon request by the public. In the event OCR receives such a request, we will make every effort permitted by law to protect information that identifies individuals or that, if released, could constitute a clearly unwarranted invasion of personal privacy.

Please be assured that our office is committed to resolving this matter in an efficient and timely manner. If you have any questions, please do not hesitate to contact Parul Parikh, Investigator, at (404) 562-7860 (Voice), 404-562-7884 (TDD). When contacting this office, please remember to include the transaction number that we have given this file. That number is located in the upper left-hand corner of this letter.

Sincerely,



Timothy Noonan  
Regional Manager  
Office for Civil Rights

*The Honorable Bennie G. Thompson v. Mississippi Department of Human Services  
Transaction Number (TR#) 04-14-173525*

2

MISSISSIPPI  
MDHS-EA-366  
REVISED 08-01-12

**MISSISSIPPI DEPARTMENT OF HUMAN SERVICES  
DIVISION OF ECONOMIC ASSISTANCE  
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

**ALTERNATIVE WORK EXPERIENCE/COMMUNITY SERVICE  
AGREEMENT**

Pursuant to the provisions of the TANF Work Program, this agreement is entered into by:

\_\_\_\_\_  
Case Management-County

AND

\_\_\_\_\_  
Work Site Sponsor-County

Mississippi Department of Human Services (MDHS) is an agency of the State of Mississippi charged with the responsibility of operating and administering a state-federal assistance program in Mississippi in accordance with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) known as the Temporary Assistance for Needy Families (TANF) Program. The purpose of the TANF Work Program (TWP) is to prepare TANF recipients to leave public assistance and become self-sufficient as quickly as possible. With Alternative Work Experience Program (AWEP) and community service assignments, the TWP's main objective is to improve participant work skills by offering training and experience for a better understanding of the work world so the individual may move more quickly into full time employment. These positions are not funded and the participant receives no pay. AWEP assignments are with private, non-profit entities. However, private, for-profit entities may serve as AWEP worksite sponsors on a limited basis and are subject to approval by the county director. Community service assignments are with public entities.

The maximum number of hours per week TWP participants will be assigned to the work site sponsor will be determined by MDHS case management based on Fair Labor Standards Act regulations. Each placement is limited to a maximum of six months per federal fiscal year. The months do not have to be consecutive and the number of months assigned may vary depending on each participant's needs, employment goal, FLSA calculated hours of participation, and availability of other allowable TWP activities. MDHS case management will be responsible for determining, on a case-by-case basis, the hours to be assigned per week and the length of each placement. TWP participants cannot replace current employees.

The Work Site Sponsor is a (check one):

- private, non-profit entity;
  - public entity; or
  - private, for-profit entity
- Approved    Disapproved

County Director Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## I. PURPOSE

The purpose of this agreement is to establish a working relationship between MDHS Case Management and the Work Site Sponsor in providing an AWEP or Community Service site with training and daily supervision for TWP participants.

## II. SERVICES

A. It is agreed that MDHS case management will provide the following services:

1. Conduct orientation and assessment of participants.
2. Select and refer participants based on skills and abilities identified by their assessment and the job requirements of the Work Site Sponsor.
3. Determine the number of weekly hours to be assigned and the length of the placement.
4. As appropriate, inform participant of where, when and to whom to report, and provide a brief description of the duties for a particular placement.
5. Arrange appropriate supportive services for the participant.
6. Provide a reporting schedule and explain the reporting requirements to the work site sponsor.
7. Provide a master copy of all required reporting forms along with the instructions for completion, e.g., attendance logs, sign-in sheets, progress evaluations, etc.
8. Monitor the participant's attendance records, work, and training for the duration of the placement.
9. Counsel the participant when problems occur.
10. Terminate any placement, at any time, as deemed appropriate and necessary.

B. It is agreed that the Work Site Sponsor will provide the following services:

1. Provide a description of the positions available.
2. Provide all testing, equipment, and materials necessary for the position.
3. Ensure daily supervision and training of participants assigned to the work site.
4. Maintain a daily sign-in/sign-out report to be used to compile weekly attendance reports for TWP volunteers.
5. Submit TWP attendance reports weekly to the local MDHS county office.
6. Provide periodic written performance evaluations and participate in the evaluation process with MDHS Case Management, as requested, but not less than every 90 days.
7. Allow TWP participants the opportunity to apply for unsubsidized job slots when positions become available.
8. Do not displace persons currently employed.
9. Ensure TWP participants are not assigned to work with or care for children in the same age group of their own child(ren) for whom the work site sponsor receives reimbursement for child care services utilizing TANF or CCDF funds.
10. Schedule participants to work the number of hours per week agreed upon and assigned by MDHS Case Management.

11. Provide written notification to MDHS Case Management, within three days, when a participant fails to participate satisfactorily.
12. Allow participants time off for scheduled job interviews.
13. Responsible for completing background checks as required by state and/or federal regulations, if applicable.
14. Responsible for payment or collection of all fees associated with the completion of background checks, if applicable.
15. Maintain a record for each volunteer to document date and number of hours of volunteer service, if applicable and required by state and/or federal regulations.

By signing below, you are acknowledging that all services outlined above in Section II, A and B, were explained by the MDHS worker and you have a clear understanding of all services.

Authorized Representative: \_\_\_\_\_  
(Signature) (Date)

### III. SCHEDULE OF HOLIDAYS

The following planned holidays are observed by the Work Site Sponsor:

_____	_____
_____	_____
_____	_____
_____	_____

The Work Site Sponsor will adhere to the criteria and guidelines of the Rules and Regulations governing the TANF Work Program. This agreement is in effect until amended by mutual consent or terminated by either party.

Name of Work Site Sponsor: \_\_\_\_\_

Address: \_\_\_\_\_

Signature of Work Site Representative: \_\_\_\_\_

Phone: \_\_\_\_\_ FAX: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of County Director: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ FAX: \_\_\_\_\_ Date: \_\_\_\_\_

3  
1

**From:** Cathy Sykes/EA/MDHS  
**To:** Kathy S White/EA/MDHS@MDHS, Ronnie Hudson/CSE/MDHS@MDHS, Ross Crawford/CSE/MDHS@MDHS, Gwendolyn Williams/EA/MDHS@MDHS, Angela Hobby/EA/MDHS@MDHS, Annette L Gant/CSE/MDHS@MDHS, Dennis L Miller/CSE/MDHS@MDHS, Deborah Grant/CSE/MDHS@MDHS, Sarah Bridge/EA/MDHS@MDHS, Linda Slaughter/CSE/MDHS@MDHS, Larry Strebeck/EA/MDHS@MDHS, Derrick Crawford/EA/MDHS@MDHS, Cynthia R Brewer/CSE/MDHS@MDHS  
**Cc:** David Noble/EA/MDHS@MDHS, Barbara Hammer/EA/MDHS@MDHS, Martha Benjamin/CSE/MDHS@MDHS

---

**Date:** Wednesday, February 27, 2013 11:00AM  
**Subject:** TWP placements

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The decision has been made that all TWP clients placed in child care centers need to be removed effective **March 1, 2013** and placed in other placements. This can be used as an opportunity to place some clients in our child support/EA offices as clerical/janitorial help. Also, we should pursue private placements. We are going to have to very innovative in dealing with this process. I apologize for the short notice. Please notify your counties and let me know as soon as all have tended to this. Thanks for your help with this.

Cathy Sykes  
EA/MS Dept of Human Services  
Director Field Operations  
phone: 601-359-4888  
e-mail: cathy.sykes@mdhs.ms.gov

**Data Request**

Please submit the following electronically to Parul Parikh at [parul.parikh@hhs.gov](mailto:parul.parikh@hhs.gov) or by mail to the address on the letterhead within 30 calendar days of the date on this correspondence. Label each response with the corresponding number question and letter.

1. Please provide a list of the AWEP and CSTWP worksite sponsors for the following dates. Please aggregate this information by the race of the provider (i.e. White, African-American, Hispanic/Latino/a).
  - a. January 1 through December 31, 2012
  - b. January 1 through December 31, 2013
  - c. January 1 through present
  
2. What were the original requirements that applicants had to meet to become worksite sponsors for the AWEP and CSTWP?
  - a. What are the changes, if any, to these program requirements? *none*
  - b. When did these changes occur? *NA*
  - c. Please provide all relevant documentation.
  
3. Please provide a copy of the email sent by Cathy Sykes, MDHS Director of Economic Assistance, to all MDHS County Directors, Regional Directors, and TANF Case Managers, detailing a plan to immediately revoke and permanently bar all African-American licensed childcare providers currently serving as MDHS contract worksite sponsors from participation in the federally funded AWEP and CSTWP.
  
4. Please provide the names and contact information of the individuals involved in making decisions about the changes in the contracts for worksite sponsors for AWEP and CSTWP.
  
5. Please provide a written response that addresses these allegations.

COMMITTEE ON  
HOMELAND SECURITY  
RANKING MEMBER

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-2402

WASHINGTON OFFICE:  
2466 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-2402  
(202) 225-5876  
(202) 225-5898: FAX

E-Mail: [benniethompson@mail.house.gov](mailto:benniethompson@mail.house.gov)  
Home Page: <http://www.benniethompson.house.gov>

October 11, 2013

The Honorable Eric H. Holder, Jr.  
Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

Dear Attorney General Holder:

I am writing to express my concerns and issue a formal complaint on behalf of the African-American licensed child care providers of Mississippi against the Mississippi Department of Human Services (MDHS). I believe that these African-American licensed childcare providers were discriminated against and treated disparately because of the public's outcry and protest against a controversial measure that would adopt a finger scanning technology used to scan children in and out of care.

MDHS sought to implement a new rule that would require child care providers to contract with Xerox and use the aforementioned controversial fingerprint scanning system in a pilot program to be launched throughout the State of Mississippi. On October 23, 2013, attorney Lisa Ross filed an injunction in Hinds County (Mississippi) Court on behalf of Deloris Suel and other childcare providers in an attempt to stop the controversial finger scanning rule on the basis that MDHS had not provided an economic impact statement, which is required under the law.

Although motions to dismiss were entered, Judge Denise Owens ultimately found that MDHS had violated Mississippi's Administrative Procedures, and ordered that the finger scanning be stopped. She also ordered the release of the Economic Impact Statement to the public, held another public hearing to examine the statement, released child care centers who were already participating in the pilot program from their contracts, and required Xerox to negotiate new contracts with child care providers.

On February 27, 2013, MDHS Director of Economic Assistance Cathy Sykes, a subordinate of MDHS Executive Director Richard A. Berry, conspired with every MDHS County Director in Mississippi, every MDHS Regional Director in Mississippi, and every MDHS County Temporary Assistance for Needy Families (TANF) Case Manager in Mississippi to carry out an act of disparate intent to remove and permanently bar African-American licensed child care providers in Mississippi from participating in or enjoying the benefits of federal assistance programs in retaliation of African-America child care provider engagement in federally protected activities protesting the adoption of the Xerox "e-Childcare" finger scan method of payment.

Because of her displeasure with the outcome of the legal action and the providers, who served low-income children and protested the system, Cathy Sykes sent and distributed an E-mail to all

□ 107 WEST MADISON STREET  
P.O. Box 610  
BOLTON, MS 39041  
(601) 866-9003  
(601) 866-9036: FAX  
(800) 355-9003: In St.

□ 509 HIGHWAY 82 WEST  
GREENWOOD, MS 38930  
(662) 455-9003  
(662) 453-0118: FAX

□ 910 COURTHOUSE LANE  
GREENVILLE, MS 38701  
(662) 335-9003  
(662) 334-1304: FAX

□ 3607 MEDGAR EVERS BOULEVARD  
JACKSON, MS 39213  
(601) 946-9003  
(601) 982-5337: FAX

□ 263 EAST MAIN STREET  
P.O. Box 356  
MARKS, MS 38646  
(662) 326-9003  
(662) 326-9003: FAX

□ MOUND BAYOU CITY HALL  
P.O. Box 679  
106 GREEN AVENUE, SUITE 106  
MOUND BAYOU, MS 38762  
(662) 741-9003  
(662) 741-9002: FAX



MDHS County Directors in Mississippi, all MDHS Regional Directors in Mississippi, and all MDHS TANF Case Managers in Mississippi to enact a plan of disparate intent by immediately revoking and permanently barring all African American licensed child care providers currently serving under MDHS contract as worksite sponsors from participation in the federally funded Alternative Work Experience Program (AWEP) and Community Service TWP Programs.

Mrs. Sykes apologized for the short notice to MDHS employees, but stated all TWP placements must be removed from child care facilities and placed in new worksite locations no later than March 1, 2013, - which only goes to demonstrate malice, forethought and conspiracy to retaliate from January 29, 2013, forward because arrangements for relocating hundreds of TWP placements with new worksite sponsors had to be made far in advance in order for the disparate intent to be a quick and stunning punishment without affecting Mississippi's required participation rates.

Some County TANF Case Managers reluctantly participating in the Sykes conspiracy telephoned participating AWEP and Community Service child care worksite sponsors and informed them that placement in child care facilities would no longer be allowed. Other County TANF Case Managers, who went along with the Sykes conspiracy to retaliate, contacted the TANF clients directly and had them to report to a MDHS County meeting that very afternoon, offering no notice or explanation to child care worksite sponsors whatever.

In many cases, TWP placements scheduled to care for young children in child care worksites the afternoon of February 27, 2013, were simply a "no show" and providers were left to scramble in panic mode in order to try to secure immediate substitutes - some worksites for as many as three at one time - and a near impossible task in rural areas of the state.

Punished child care providers seeking needed answers in order to know if they could count on the TWP placements to report to worksites the next day or if sponsors needed to begin to adjust remaining employee schedules called the MDHS County TANF Case Managers and asked for explanations. Upon information and belief, the providers were told by MDHS County TANF Case Managers that child care had been removed by Mrs. Sykes as a defined work activity ***because a child care provider (Delores Suel) in Hinds County sued MDHS***, because child care providers ***did not agree to the Xerox e-Childcare finger scan method of payment***, and/or simply, "I don't know".

I believe that the treatment that was shown toward the child care providers of Mississippi's Second Congressional District, and Mississippi in its' entirety, is unjust, and that the Department of Justice should investigate the disparate measures that were leveled against those providers. If you have any questions or concerns, please feel free to contact me at my Washington, D.C. office.

Sincerely,



Bennie G. Thompson  
Member of Congress





The following pages contain the racial make up of QRIS participating programs for:

FFY 2014

FFY 2015

# QRIS Rating For Period 10/01/2013 – 09/30/2014 FFY2014

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**All:**

AL ALASKA NATIVE/AMERICAN INDIAN	32	0.0676%
AS ASIAN	25	0.0528%
AW ASIAN AND WHITE	10	0.0211%
BL BLACK / AFRICAN AMERICAN	42,034	88.8161%
BW BLACK/AFRICAN AMER AND WHITE	289	0.6106%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	2	0.0042%
IB AMER INDIAN/ALASKAN AND BLACK/	4	0.0085%
IW AMER INDIAN/ALASKAN AND WHITE	3	0.0063%
OT OTHER RACIAL COMBINATIONS	345	0.7290%
UN Unknown	89	0.1881%
WH	4,494	9.4956%
	47,327	100.0000%

# QRIS Rating For Period 10/01/2013 – 09/30/2014 FFY2014

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## QRIS Level 0:

AL ALASKA NATIVE/AMERICAN INDIAN	23	0.0964%
AS ASIAN	7	0.0293%
AW ASIAN AND WHITE	0	0.0000%
BL BLACK / AFRICAN AMERICAN	20,961	87.8500%
BW BLACK/AFRICAN AMER AND WHITE	132	0.5532%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	0	0.0000%
IB AMER INDIAN/ALASKAN AND BLACK/	2	0.0084%
IW AMER INDIAN/ALASKAN AND WHITE	3	0.0126%
OT OTHER RACIAL COMBINATIONS	179	0.7502%
UN Unknown	39	0.1635%
WH	2,514	10.5365%
	23,860	100.0000%

# QRIS Rating For Period 10/01/2013 – 09/30/2014 FFY2014

## **QRIS Level 1:**

AL ALASKA NATIVE/AMERICAN INDIAN	6	0.0516%
AS ASIAN	5	0.0430%
AW ASIAN AND WHITE	2	0.0172%
BL BLACK / AFRICAN AMERICAN	10,620	91.2685%
BW BLACK/AFRICAN AMER AND WHITE	59	0.5070%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	0	0.0000%
IB AMER INDIAN/ALASKAN AND BLACK/	0	0.0000%
IW AMER INDIAN/ALASKAN AND WHITE	0	0.0000%
OT OTHER RACIAL COMBINATIONS	110	0.9453%
UN Unknown	22	0.1891%
WH	812	6.9783%
	11,636	100.0000%

# QRIS Rating For Period 10/01/2013 – 09/30/2014 FFY2014

## **QRIS Level 2:**

AL ALASKA NATIVE/AMERICAN INDIAN	1	0.0173%
AS ASIAN	4	0.0691%
AW ASIAN AND WHITE	3	0.0518%
BL BLACK / AFRICAN AMERICAN	5,307	91.6580%
BW BLACK/AFRICAN AMER AND WHITE	49	0.8463%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	2	0.0345%
IB AMER INDIAN/ALASKAN AND BLACK/	2	0.0345%
IW AMER INDIAN/ALASKAN AND WHITE	0	0.0000%
OT OTHER RACIAL COMBINATIONS	34	0.5872%
UN Unknown	17	0.2936%
WH	371	6.4076%
	5,790	100.0000%

# QRIS Rating For Period 10/01/2013 – 09/30/2014 FFY2014

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## **QRIS Level 3:**

AL ALASKA NATIVE/AMERICAN INDIAN	2	0.0600%
AS ASIAN	7	0.2100%
AW ASIAN AND WHITE	1	0.0300%
BL BLACK / AFRICAN AMERICAN	2,591	77.7145%
BW BLACK/AFRICAN AMER AND WHITE	41	1.2298%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	0	0.0000%
IB AMER INDIAN/ALASKAN AND BLACK/	0	0.0000%
IW AMER INDIAN/ALASKAN AND WHITE	0	0.0000%
OT OTHER RACIAL COMBINATIONS	17	0.5099%
UN Unknown	8	0.2400%
WH	667	20.0060%
	3,334	100.0000%

# QRIS Rating For Period 10/01/2013 – 09/30/2014

## FFY2014

### QRIS Level 4:

AL ALASKA NATIVE/AMERICAN INDIAN	0	0.0000%
AS ASIAN	1	0.0707%
AW ASIAN AND WHITE	2	0.1413%
BL BLACK / AFRICAN AMERICAN	1,289	91.0954%
BW BLACK/AFRICAN AMER AND WHITE	8	0.5654%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	0	0.0000%
IB AMER INDIAN/ALASKAN AND BLACK/	0	0.0000%
IW AMER INDIAN/ALASKAN AND WHITE	0	0.0000%
OT OTHER RACIAL COMBINATIONS	4	0.2827%
UN Unknown	3	0.2120%
WH	108	7.6325%
	1,415	100.0000%

# QRIS Rating For Period 10/01/2013 – 09/30/2014 FFY2014

## **QRIS Level 5:**

AL ALASKA NATIVE/AMERICAN INDIAN	0	0.0000%
AS ASIAN	1	0.0774%
AW ASIAN AND WHITE	2	0.1548%
BL BLACK / AFRICAN AMERICAN	1,266	97.9876%
BW BLACK/AFRICAN AMER AND WHITE	0	0.0000%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	0	0.0000%
IB AMER INDIAN/ALASKAN AND BLACK/	0	0.0000%
IW AMER INDIAN/ALASKAN AND WHITE	0	0.0000%
OT OTHER RACIAL COMBINATIONS	1	0.0774%
UN Unknown	0	0.0000%
WH	22	1.7028%
	1,292	100.0000%



# QRIS Rating For Period 10/01/2014 – 09/30/2015

## FFY 2015

**All:**

AL ALASKA NATIVE/AMERICAN INDIAN	29.00	0.0927%
AS ASIAN	27.00	0.0863%
AW ASIAN AND WHITE	16.00	0.0512%
BL BLACK / AFRICAN AMERICAN	27,004.00	86.3354%
BW BLACK/AFRICAN AMER AND WHITE	288.00	0.9208%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	2.00	0.0064%
IB AMER INDIAN/ALASKAN AND BLACK/	4.00	0.0128%
IW AMER INDIAN/ALASKAN AND WHITE	8.00	0.0256%
OT OTHER RACIAL COMBINATIONS	296.00	0.9464%
UN Unknown	98.00	0.3133%
WH White	3,506.00	11.2092%
	31,278.00	100.0000%

# QRIS Rating For Period 10/01/2014 – 09/30/2015

## FFY 2015

### **QRIS Level 0:**

AL ALASKA NATIVE/AMERICAN INDIAN	17	0.1055%
AS ASIAN	14	0.0869%
AW ASIAN AND WHITE	7	0.0434%
BL BLACK / AFRICAN AMERICAN	13,718	85.1045%
BW BLACK/AFRICAN AMER AND WHITE	127	0.7879%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	1	0.0062%
IB AMER INDIAN/ALASKAN AND BLACK/	2	0.0124%
IW AMER INDIAN/ALASKAN AND WHITE	6	0.0372%
OT OTHER RACIAL COMBINATIONS	146	0.9058%
UN Unknown	46	0.2854%
WH White	2,035	12.6249%
	16,119	100.0000%

# QRIS Rating For Period 10/01/2014 – 09/30/2015

## FFY 2015

### QRIS Level 1:

AL ALASKA NATIVE/AMERICAN INDIAN	11	0.1477%
AS ASIAN	7	0.0940%
AW ASIAN AND WHITE	4	0.0537%
BL BLACK / AFRICAN AMERICAN	6,667	89.5019%
BW BLACK/AFRICAN AMER AND WHITE	55	0.7384%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	1	0.0134%
IB AMER INDIAN/ALASKAN AND BLACK/	1	0.0134%
IW AMER INDIAN/ALASKAN AND WHITE	2	0.0268%
OT OTHER RACIAL COMBINATIONS	81	1.0874%
UN Unknown	27	0.3625%
WH White	593	7.9608%
	7,449	100.0000%

# QRIS Rating For Period 10/01/2014 – 09/30/2015

## FFY 2015

### QRIS Level 2:

AL ALASKA NATIVE/AMERICAN INDIAN	0	0.0000%
AS ASIAN	2	0.0519%
AW ASIAN AND WHITE	1	0.0260%
BL BLACK / AFRICAN AMERICAN	3,462	89.8754%
BW BLACK/AFRICAN AMER AND WHITE	52	1.3499%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	0	0.0000%
IB AMER INDIAN/ALASKAN AND BLACK/	1	0.0260%
IW AMER INDIAN/ALASKAN AND WHITE	0	0.0000%
OT OTHER RACIAL COMBINATIONS	36	0.9346%
UN Unknown	15	0.3894%
WH White	283	7.3468%
	3,852	100.0000%

# QRIS Rating For Period 10/01/2014 – 09/30/2015

## FFY 2015

### **QRIS Level 3:**

AL ALASKA NATIVE/AMERICAN INDIAN	0	0.0000%
AS ASIAN	3	0.1464%
AW ASIAN AND WHITE	1	0.0488%
BL BLACK / AFRICAN AMERICAN	1,538	75.0610%
BW BLACK/AFRICAN AMER AND WHITE	35	1.7082%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	0	0.0000%
IB AMER INDIAN/ALASKAN AND BLACK/	0	0.0000%
IW AMER INDIAN/ALASKAN AND WHITE	0	0.0000%
OT OTHER RACIAL COMBINATIONS	20	0.9761%
UN Unknown	6	0.2928%
WH White	446	21.7667%
	2,049	100.0000%

# QRIS Rating For Period 10/01/2014 – 09/30/2015

## FFY 2015

### QRIS Level 4:

AL ALASKA NATIVE/AMERICAN INDIAN	0	0.0000%
AS ASIAN	0	0.0000%
AW ASIAN AND WHITE	1	0.1072%
BL BLACK / AFRICAN AMERICAN	830	88.9603%
BW BLACK/AFRICAN AMER AND WHITE	12	1.2862%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	0	0.0000%
IB AMER INDIAN/ALASKAN AND BLACK/	0	0.0000%
IW AMER INDIAN/ALASKAN AND WHITE	0	0.0000%
OT OTHER RACIAL COMBINATIONS	10	1.0718%
UN Unknown	4	0.4287%
WH White	76	8.1458%
	933	100.0000%

# QRIS Rating For Period 10/01/2014 – 09/30/2015

## FFY 2015

### **QRIS Level 5:**

AL ALASKA NATIVE/AMERICAN INDIAN	0	0.0000%
AS ASIAN	1	0.1650%
AW ASIAN AND WHITE	2	0.3300%
BL BLACK / AFRICAN AMERICAN	590	97.3597%
BW BLACK/AFRICAN AMER AND WHITE	1	0.1650%
HP NATIVE HAWAIIAN/PACIFIC ISLAND	0	0.0000%
IB AMER INDIAN/ALASKAN AND BLACK/	0	0.0000%
IW AMER INDIAN/ALASKAN AND WHITE	0	0.0000%
OT OTHER RACIAL COMBINATIONS	1	0.1650%
UN Unknown	0	0.0000%
WH White	11	1.8152%
	606	100.0000%



The following pages contain information about DECCD's copayment rates and the requirement of these rates as a percent of income.



**Monthly Child Care Co-Payment Fees for Parents**

TANF, TCC Clients and children in foster care or protective services and children receiving SSI benefits should be assessed a co-pay of \$10.00 per month.

Annual Gross Family Income Range		Family of 2		Family of 3		Family of 4		Family of 5		Family of 6	
From	to Under	1	1	2	1	2	1	2	1	2	
0	9,999	10	10	20	10	20	10	20	10	20	
10,000	10,999	18	13	23	10	20	10	20	10	20	
11,000	11,999	27	22	32	17	27	12	22	10	20	
12,000	12,999	35	30	40	25	35	20	30	15	25	
13,000	13,999	43	38	48	33	43	28	38	23	33	
14,000	14,999	52	47	57	42	52	37	47	32	42	
15,000	15,999	60	55	65	50	60	45	55	40	50	
16,000	16,999	<b>68</b>	63	73	58	68	53	63	48	58	
17,000	17,999	77	72	82	67	77	62	72	57	67	
18,000	18,999	85	80	90	75	85	70	80	65	75	
19,000	19,999	93	88	98	83	93	78	88	73	83	
20,000	20,999	102	<b>97</b>	<b>107</b>	92	102	87	97	82	92	
21,000	21,999	110	105	115	100	110	95	105	90	100	
22,000	22,999	118	113	123	108	118	103	113	98	108	
23,000	23,999	127	122	132	<b>117</b>	<b>127</b>	112	122	107	117	
24,000	24,999	135	130	140	125	135	120	130	115	125	
25,000	25,999	143	138	148	133	143	128	138	123	133	
26,000	26,999	151	147	157	142	152	137	147	132	142	
27,000	27,999	159	155	165	150	160	<b>145</b>	<b>155</b>	140	150	
28,000	28,999		163	173	158	168	153	163	148	158	
29,000	29,999		172	182	167	177	162	172	157	167	
30,000	30,999		180	190	175	185	170	180	165	175	
31,000	31,999		188	198	183	193	178	188	<b>173</b>	<b>183</b>	
32,000	32,999		196	206	192	202	187	197	182	192	
33,000	33,999		204	214	200	210	195	205	190	200	
34,000	34,999		212	222	208	218	203	213	198	208	
35,000	35,999				217	227	212	222	207	217	
36,000	36,999				225	235	220	230	215	225	
37,000	37,999				233	243	228	238	223	233	
38,000	38,999				241	251	237	247	232	242	
39,000	39,999				249	259	245	255	240	250	
40,000	40,999				257	267	253	263	248	258	
41,000	41,999						262	272	257	267	
42,000	42,999						270	280	265	275	
43,000	43,999						278	288	273	283	
44,000	44,999						266	296	282	292	
45,000	45,999						294	304	290	300	
46,000	46,999						302	312	298	308	
47,000	47,999						310	320	307	317	
48,000	48,999								315	325	
49,000	49,999								323	333	
50,000	50,999								331	341	

Availability is limited to those families earning 85% or less than the SMI.

Boldface figures represent 50% SMI.

Family size of seven (7) or more should be treated the same as a family of six (6).

Effective: October 1, 2004

### Family CoPayment as a Percent of Annual Income

In order to determine the greatest impact on families, the following formula was used to determine copayment amounts as a % of income. From the application of this formula, a range of percent of income was assigned to each income category.

Formula:

$$1. \text{ Highest CoPayment Amount in the Category} / \text{ Lowest Income Amount in the Category} = \text{Bottom range of copay percentage for income category}$$

$$2. \text{ Lowest CoPayment Amount in the Category} / \text{ Highest Income Amount in the Category} = \text{Top range of copay percentage for income category}$$

Annual Gross Family Income Range		CoPayment Range as a % of Income Per Category	
From	to Under		
0	9,999	1.2	2.4
10,000	10,999	1.1	2.8
11,000	11,999	1.0	3.6
12,000	12,999	1.4	4
13,000	13,999	2	4.4
14,000	14,999	2.6	4.9
15,000	15,999	3	5.2
16,000	16,999	3.4	5.5
17,000	17,999	3.8	5.8
18,000	18,999	4.1	6
19,000	19,999	4.4	6.2
20,000	20,999	4.7	6.4
21,000	21,999	4.9	6.6
22,000	22,999	5.6	6.7
23,000	23,999	5.4	6.9
24,000	24,999	5.5	7
25,000	25,999	5.7	7.1
26,000	26,999	5.9	7.3
27,000	27,999	6	7.3
28,000	28,999	6.1	7.4
29,000	29,999	6.3	7.3
30,000	30,999	6.4	7.6
31,000	31,999	6.5	7.7
32,000	32,999	6.6	7.7
33,000	33,999	6.7	7.8
34,000	34,999	6.8	7.8
35,000	35,999	6.9	7.8
36,000	36,999	6.9	7.8
37,000	37,999	7	7.9
38,000	38,999	7.1	7.9
39,000	39,999	7.2	8
40,000	40,999	7.3	8
41,000	41,999	7.3	8
42,000	42,999	7.4	8
43,000	43,999	7.4	8

Appendix L: MDHS Reported Copayment Rates

44,000	44,999	7.1	8.1
45,000	45,999	7.6	8.6
46,000	46,999	7.6	8.1
47,000	47,999	7.7	8.2
48,000	48,999	7.7	8.1
49,000	49,999	7.8	8.2
50,000	50,999	7.8	8.2