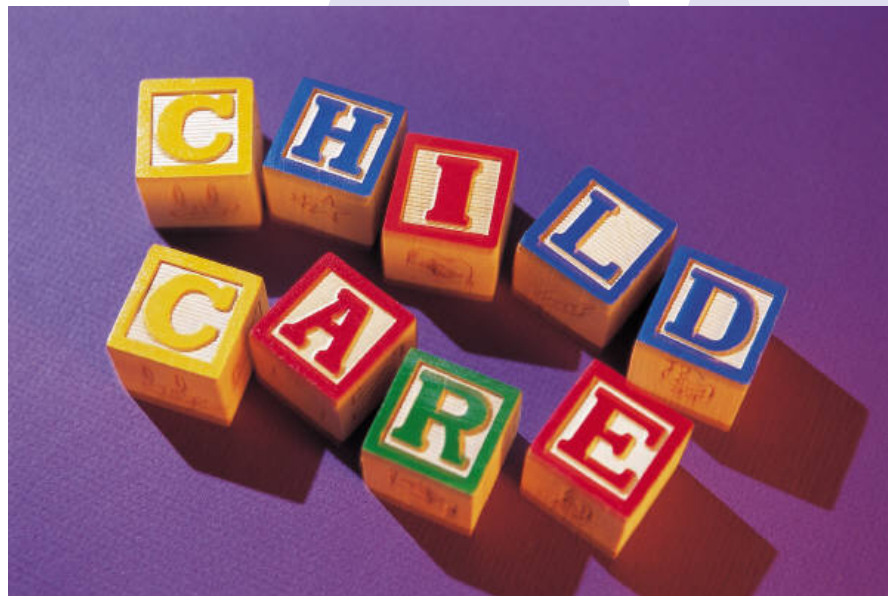


# State Child Care Assistance Policies Leave Many Families and Child Care Providers Behind



Helen Blank  
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# Eligibility

- A family's ability to obtain child care assistance depends on their state's income eligibility limit.
- The income cutoff was above 100 percent of the FPL (\$18,310 a year for a family of three) in all states.
- A family with an income slightly above 150 percent of poverty (\$27,465 a year for a family of three) could not qualify for help in 13 states.
- A family with an income at 200 percent of poverty (\$36,620 a year for a family of three) could not qualify for help in 35 states.
- In the majority of communities across the country, a family needs an income equal to at least 200 percent of poverty to meet its basic needs, including housing, food, child care, transportation, health care and other necessities.

# Waiting Lists

- In 2010, nearly two-fifths of the states had waiting lists or frozen intakes for at least some families applying for assistance.
- Eight states had shorter waiting lists in 2010 than in 2009, while six states had larger waiting lists.
- Some were quite long: over 194,000 children in California, almost 67,000 in Florida, and almost 38,000 in North Carolina.
- Waiting list studies show parents face tough choices.



# Copayments

- Unmanageable copayment levels make it difficult for families. When parents can't afford them, providers may be forced to absorb the lost income.
- Parents may be discouraged from participating altogether.
- Copayments were higher as a percentage of family income in 2010 than in 2001 in one-third to nearly one-half of the states depending on the income.
- In about one-third to over half of the states, depending on income, a family was required to pay more in copayments than the nationwide average amount that families who pay for child care spent on child care as a percentage of income.





# Reimbursement Rates

- States are required to conduct surveys of child care market rates every two years, but are not required to set rates at any particular level or update their rate regularly.
- Federal regulations recommend that rates be set at the 75<sup>th</sup> percentile of current market rates, a rate that is designed to allow families access to 75 percent of the providers in their communities.
- In 2010, only six states set their reimbursement rates at the 75<sup>th</sup> percentile of current market rates. This was in contrast to the 22 states in 2001.

## Rates (continued)



- In 21 states, reimbursement rates for center-based care for a four-year-old in 2010 were at least 20 percent below the 75<sup>th</sup> percentile of market rates.
- In 21 states reimbursement rates for center-based care for a one-year-old in 2010 were at least 20 percent below the 75<sup>th</sup> percentile of market rates.
- Thirty-nine states allowed child care providers to charge parents receiving child care assistance the difference between the state reimbursement rate and the fee that the providers charged private-paying parents if the state reimbursement rate was lower.



# Tiered Rates for Higher Quality

- Thirty-one states paid higher reimbursement rates for high-quality care in 2010.
- In approximately two-thirds of the 31 states with tiered rates in 2010, the reimbursement rate for center-based care for a four-year-old at the highest quality level was still below the 75<sup>th</sup> percentile of current market rates.
- The difference between the states lowest and highest reimbursement rates for center-based care for a four-year-old ranged from 5 percent to 67 percent in 2010.

# Searching for a Job

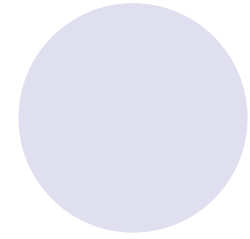
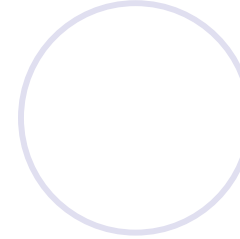
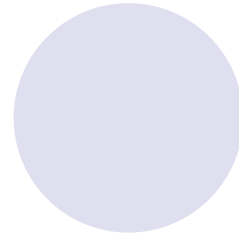
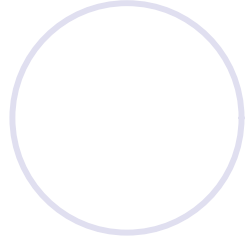
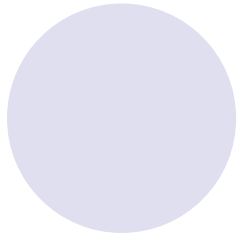
- Forty-seven states allow families receiving child care assistance to continue receiving it while a parent searches for a job.
- Assistance ranges from one month to six months.
- Eighteen states allow families not receiving child care assistance to qualify for help while a parent searches for a job.



# Unmet Need/Cuts

- Only one in six children eligible for federal child care assistance receives it.
- As ARRA funds are exhausted, states cut child care.
  - Arizona has cut the number of children receiving child care assistance from 48,000 to 30,000 since February 2009.
  - Arkansas has used ARRA to provide child care help to over 12,000 additional children.
  - However, their waiting list has now grown to approximately 15,000 children.
  - In Oregon, which had helped families earning up to 185 percent of poverty, families who have never been on TANF and who are newly applying for child care assistance will be placed on a waiting list.
  - In California, 54,000 children were scheduled to lose child care assistance on November 1.





- New Mexico cut reimbursement rates by 8 percent.
- New Hampshire's waiting list is over 2,300 children. Since October 1, no new families can received child care help unless they are receiving TANF or need protective or preventative services.





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