Opportunities for Child Care at the State Level

NCSL Early Learning Fellows
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Hannah Matthews
Director, Child Care and Early Education
hmatthews@clasp.org
(202) 906-8006
Child Care and Development Block Grant Overview
Federal Child Care Timeline

- WWII: Lanham Act
- 1965: Head Start
- 1971: Comprehensive Child Care Leg. (Vetoed by Nixon)
- 1978: Dependent Care Tax Credit
- 1989: The Act for Better Child Care
- 1991: CCDBG
Federal Child Care Timeline

2002: CCDBG Reauth. Scheduled
2006: Deficit Reduction Act (TANF Reauth.)
2009: ARRA
2011: Race to the Top – Early Learning Challenge
2012: ???
Child Care and Development Block Grant Funding, FY 2002 - 2011

Source: CLASP analysis of HHS funding documents. FY 2009 funding includes $2 billion in ARRA funding.
Children in CCDBG, by Age, 2009

Source: CLASP analysis of HHS data.
Child Care and Development Block Grant

- In 2009, CCDBG served approximately 1.6 million children, ages birth to 13, each month.
- States are required to spend 4% of funds on quality initiatives.
- Only one in six federally-eligible children receives assistance.
- To draw down all federal funds, states must meet match and MOE requirements.
- States have broad discretion to set eligibility and other policies.
States Set Income Eligibility, Copayment Rates and Provider Reimbursement Rates

• States set eligibility criteria, priority and redetermination periods
  ▪ In 13 states, a family of three earning $27,795 a year (150% of poverty) cannot qualify for assistance.
  ▪ In 35 states, a family of three earning $37,060 a year (above 200% of poverty) cannot qualify for assistance.

• States set provider payment rates
  ▪ Only three states pay providers at the 75th percentile of market rates (the level recommended in federal regulations); the remaining states pay providers below that level.

• States set family co-payment levels
  ▪ In over half the states a family of three at 150% of poverty would have a copayment of more than $162/month (7% of income) in 2011.

Source: National Women’s Law Center, 2011
Child Care Subsidies Support Family Economic Stability

• Access to child care subsidies increases the likelihood that parents are employed, and that they may remain employed for longer periods of time.
• Parents who receive child care subsidies appear to have longer periods of employment and higher earnings.
State Policy Opportunities
Policy Solutions

• Assistance to Parents
  ▪ Expand access to subsidized care for low-income families
  ▪ Raise payment rates so that families can choose higher quality providers
  ▪ Extend redetermination periods and limit interim reporting so families can keep subsidies.
  ▪ Link with other benefits programs.
  ▪ Improve access to information on child care options and quality.
Policy Solutions

• Improve Supports for Quality
  ▪ Improve licensing regulations and expand monitoring
  ▪ Expand Quality Rating and Improvement Systems
  ▪ Provide supports for providers, including training, technical assistance, access to higher education and compensation.
    ▪ Help providers purchase equipment, meet accreditation and other quality benchmarks.
    ▪ Pay higher rates to providers who meet certain standards (i.e. Head Start standards, national accreditation)
Promising Practices: Integrating Benefit Systems

• Goal = including child care subsidy programs in a coordinated system on work supports
  ▪ Similarities and differences with other systems
  ▪ Increasing access to SNAP, Medicaid for child care families/waiting lists
  ▪ Making the child care application process easier for families

• Child Care subsidy programs are highly flexible with few federal rules on eligibility, intake, renewal (redetermination), etc.
Promising Practices: Integrating Benefit Systems

- A simple pathway to a package
  - Screenings
  - Cross program matches
  - Worker prompts
- Limiting in-person requirements
  - Reducing documentation requirements
  - Phone and internet
- Simplifying renewals/improving retention
  - Improving reporting rules
Early Childhood System Components

- Child Safe Environments
- Early Childhood Education & Development
- Supports for Expectant Families
- Child Health
- Child Mental Health
- Child Nutrition
- Family Partnerships & Economic Supports
- Thriving Children and Families
State Information

CLASP DataFinder
http://www.clasp.org/data/
- Poverty
- Young Child Demographics
  - Race, ethnicity, immigrant family status
- Child Care assistance
- Head Start/Early Head Start

CLASP State Profiles
http://www.clasp.org/in_the_states/
- Head Start/Early Head Start
- Child Care assistance
- TANF spending
- Infant/toddler initiatives