

RAISING  
CHILD CARE,  
RAISING  
AMERICA  
MAY 19-22

# Inequitable Access to Child Care Subsidies

What It Looks Like and What Can Be Done About It

*Stephanie Schmit, Director of Child Care and Early Education*  
*Alisha Saxena, Policy Analyst*

Center for Law and Social Policy



# Introductions



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**CLASP**  
The Center for Law and Social Policy

# Agenda

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- Introductions
- Child Care and Development Block Grant
- Activity: What's Your Experience
- Defining Inequitable Access
- Policy Levers to Improve Access
- Hearing from you!

# Learning About You

Join at [menti.com](https://menti.com) | use code 4569 9928

 Mentimeter

## Where do you live?

All responses to your question will be shown here

Each response can be up to 200 characters long

Turn on voting in Interactivity to let participants vote for their favorites



# Learning About You

Join at [menti.com](https://menti.com) | use code 4569 9928

 Mentimeter

## What is your role at your organization?

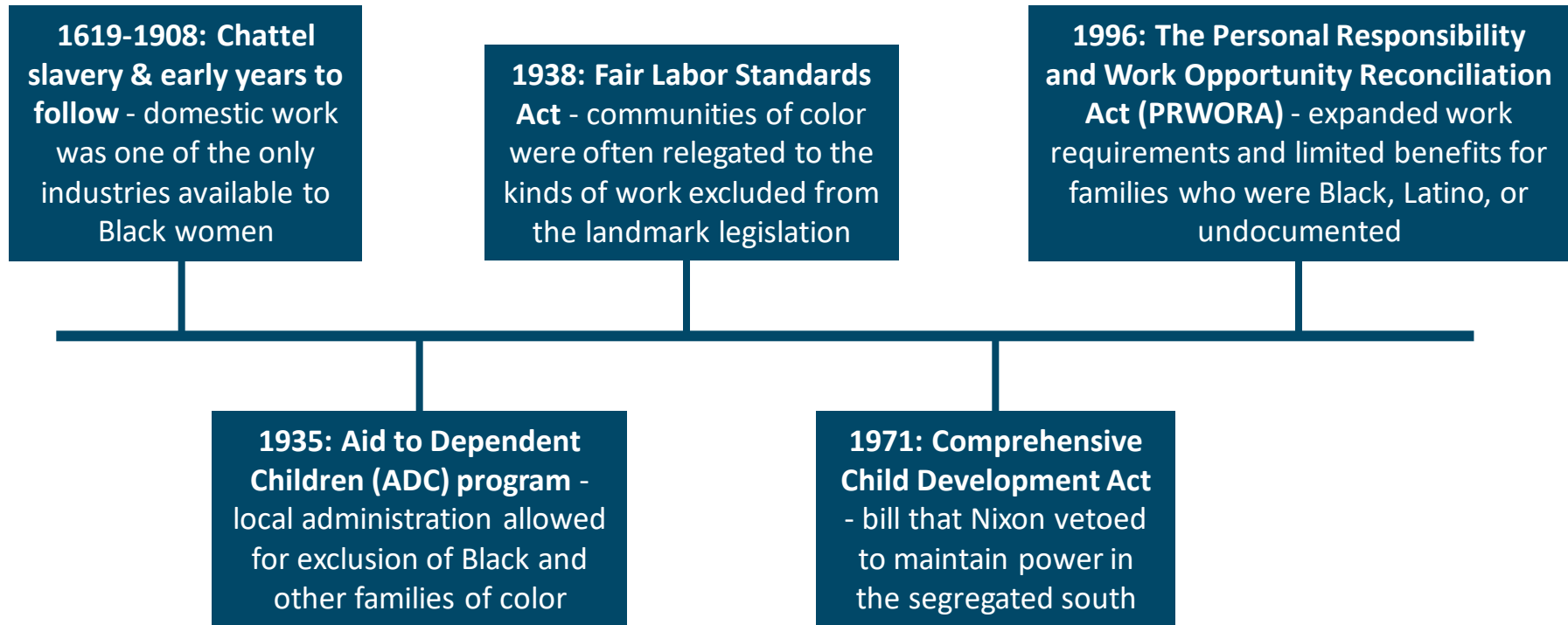
All responses to your question will be shown here

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# Historical Policy Context for Child Care



Learn More Here (pg.7-8): <https://tinyurl.com/ChildCareHistory>

# Federal Programs Supporting Child Care

- Child Care Assistance
  - Child Care Development Block Grant (CCDBG)
  - Temporary Assistance for Needy Families (TANF)
  - Social Services Block Grant Program (SSBG)
- Head Start
- Early Head Start
- Preschool Development Grant (PDG B-5)
- Child Care Access Means Parents in School Program (CCAMPIS)



# Child Care and Development Block Grant (CCDBG) Overview



- Primary source of federal funding for child care assistance
- Federal government sets broad parameters for the program and basic health and safety standards
- States make policy decisions within those broad parameters that impact access, quality, and supply of child care
- States can contribute their own funding to access additional federal matching funds and to build on the federal funds



# Who's Eligible: Federal Requirements

- Children ages birth-13, or up to 19 for children with specific special needs.
- Residing with parent(s) who are working, or in education or training programs.
- Children in protective services.
- Family income below 85% of state median income.
- Children must be qualified immigrants or citizens.



# CCDBG Final Rule

- In February 2024, the U.S. Department of Health and Human Services (HHS) released a final rule to strengthen CCDBG
- Importantly, it capped family co-payments to no more than 7 percent of a family's income
- It also requires states to prospectively pay providers based on enrollment, not attendance
- To learn more about the CCDBG final rule and how it impacts families, providers, and state agencies, please check out CLASP's explainer piece below

<https://tinyurl.com/finalrule2024>

# Activity: What's your experience?

*Please work with those near you to consider the following groups and what access to child care assistance (and what might be the challenges!) looks like for you/your community/your state. Write these down on the sticky notes and place them under the headers around the room.*

- Individual/family level?
- Provider level?
- Admin/State Agency level?
- Federal/systemic level?

*After you have finished writing the barriers you can think of on the sticky notes, we'll come together and discuss as a full group.*

# Inequitable Access Report

*Relevant Context & Findings*

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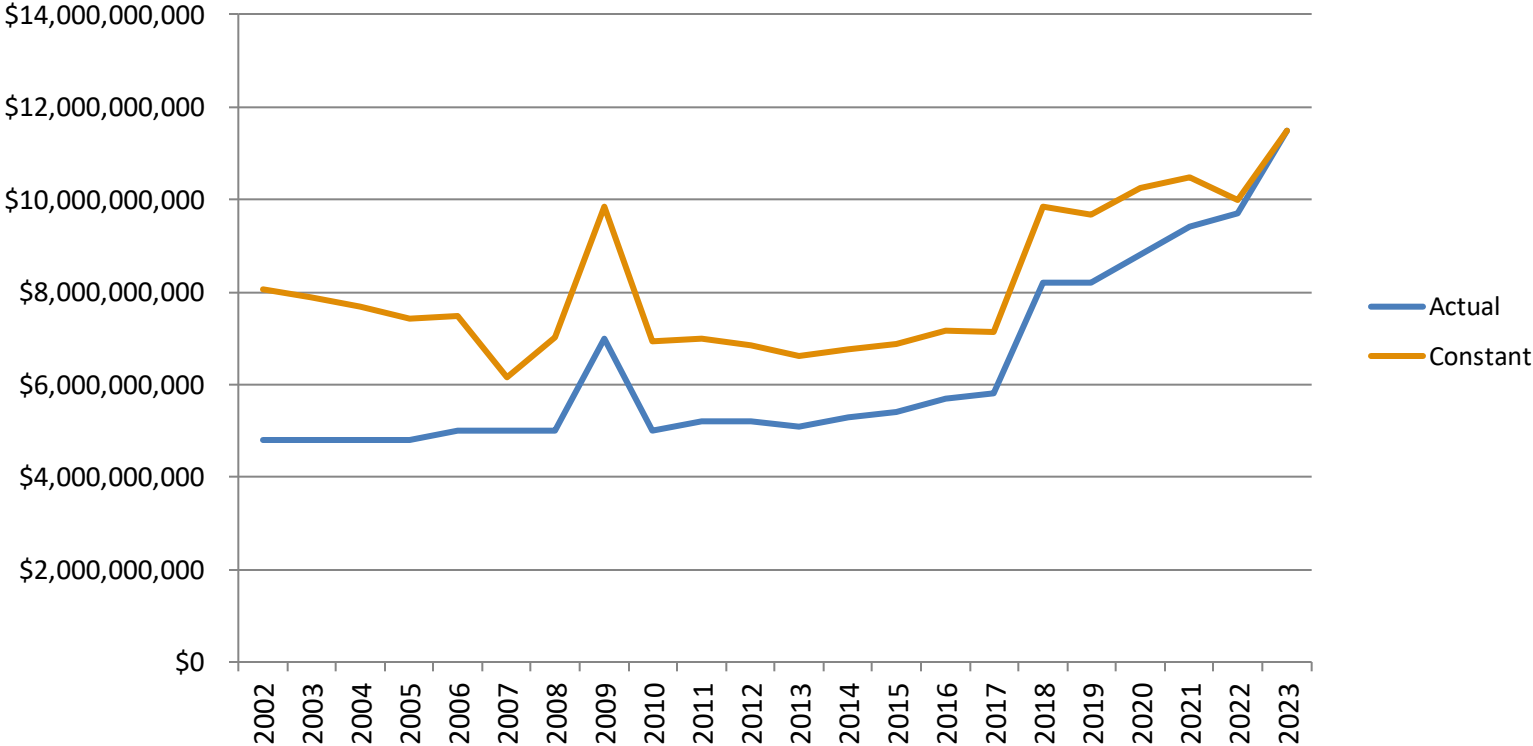
**Coming Soon!**

UNEQUAL ACCESS TO  
CHILD CARE SUBSIDIES

Alycia Hardy & Stephanie Schmit | April 2024

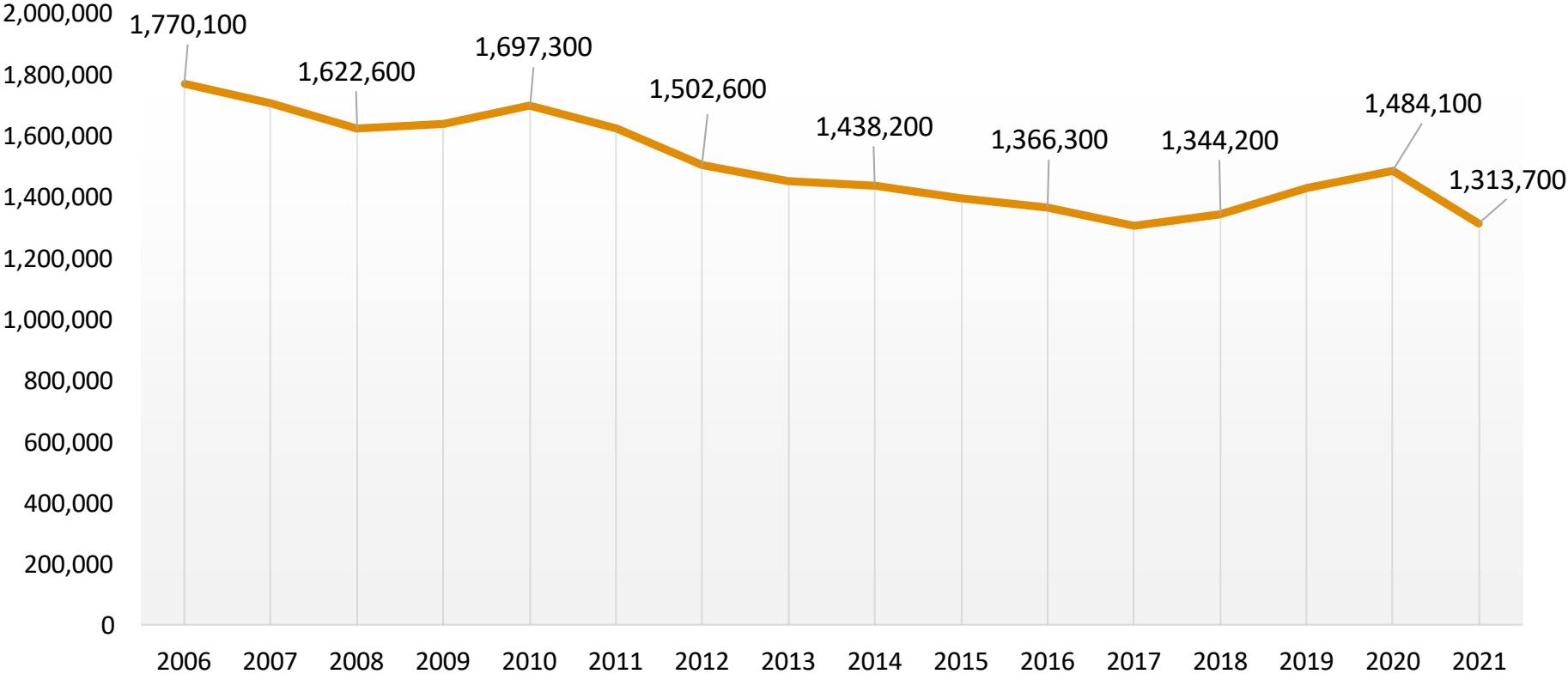
# Constrained Federal Funding to States

Federal CCDF Allocations in Actual and Constant Dollars, 2002-2023



Source: Office of Child Care Administrative Data, CCDF State and Territory Funding Allocations, 2002 – 2023 <https://www.acf.hhs.gov/occ/data/ccdf-state-and-territory-funding-allocations> and CLASP calculations based on Consumer Price Index for All Urban Consumers (CPI-U) from 1913 to 2023\* (there are only 10 months of data from 2023, these 10 months have been averaged for 2023) <https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/>

# Average Monthly Adjusted Number of Children Served through CCDBG, FY 2006 - 2021



Source: Administration for Children and Families, Child Care Development Fund Statistics, Table 1 - Average Monthly Adjusted Number of Families and Children Served, FY 2006 – FY 2021

# Inequitable Access to Child Care Subsidies in 2020

- State & Federal Potential Eligibility
  - Overrepresentation
  - Underrepresentation
- Access to a CCDBG Subsidy
  - Potentially eligible children served in each state
  - Potentially eligible children served in each state, by race and ethnicity
  - State income threshold
  - Federal income threshold
- Inequities beyond subsidy eligibility and receipt

# Data Sources, Methods, & Limitations

## Data Sources

- American Community Survey Census Microdata
- Administration for Children and Families, Child Care Development Funds Statistics

## CLASP Estimates and Calculation Methods

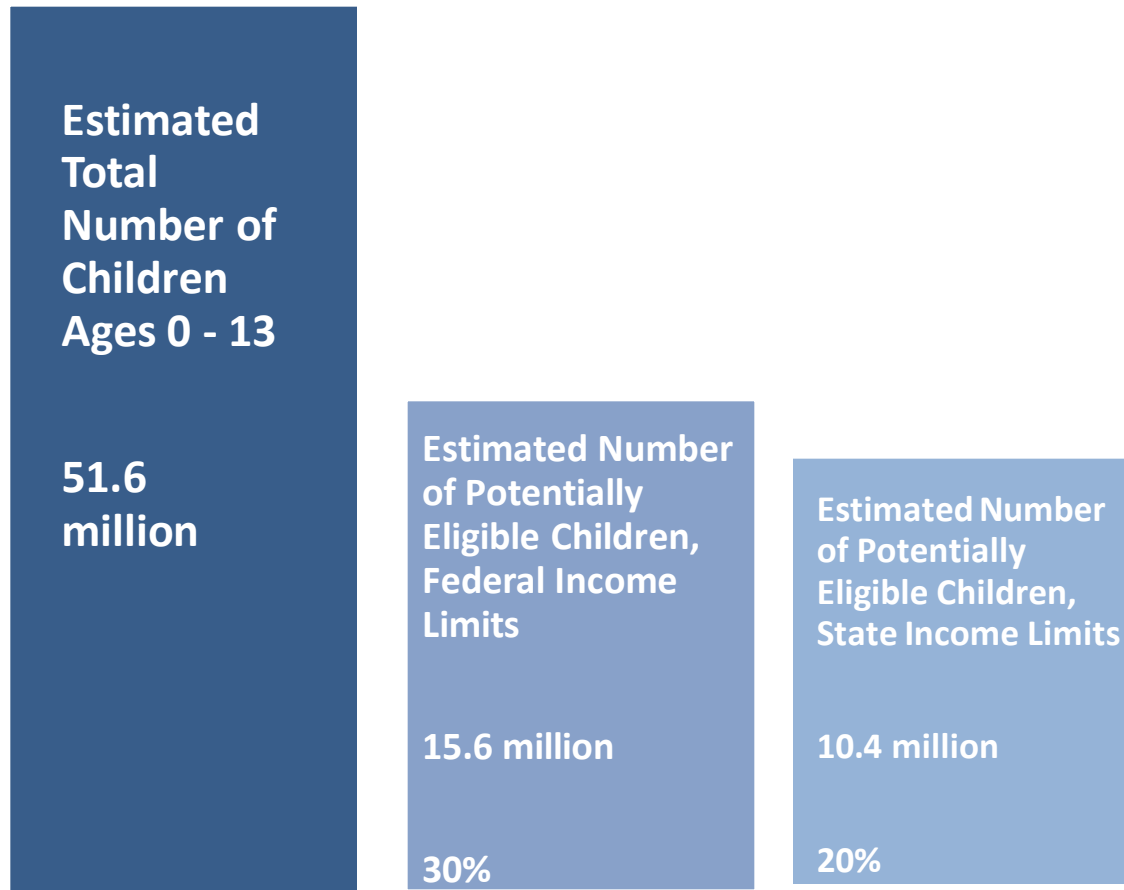
- Number of all children under age 13
- Potentially eligible children
- Proportion of potentially eligible children served

## Analysis Limitations

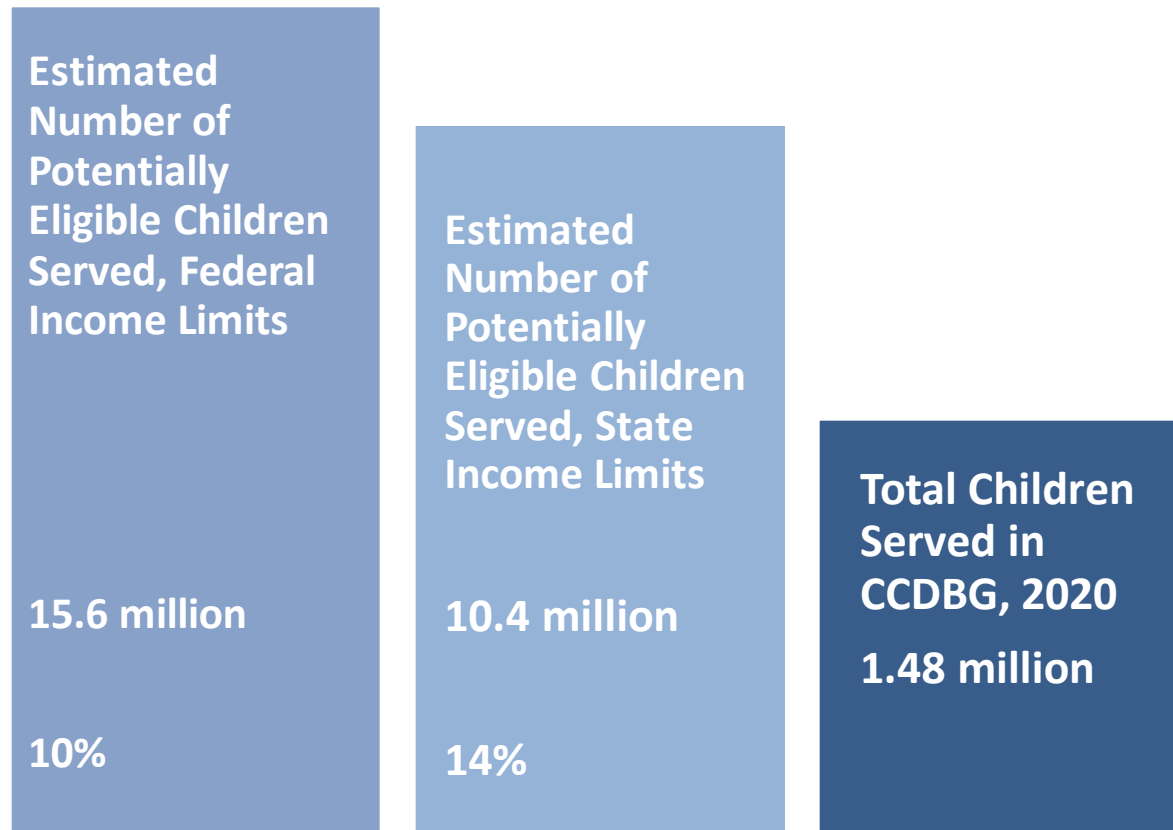
- Eligibility policies
- Missing and invalid data
- Data are not comparable across years
- The racial and ethnic categories are not completely aligned across data sources
- Poverty measures and economic impact payments



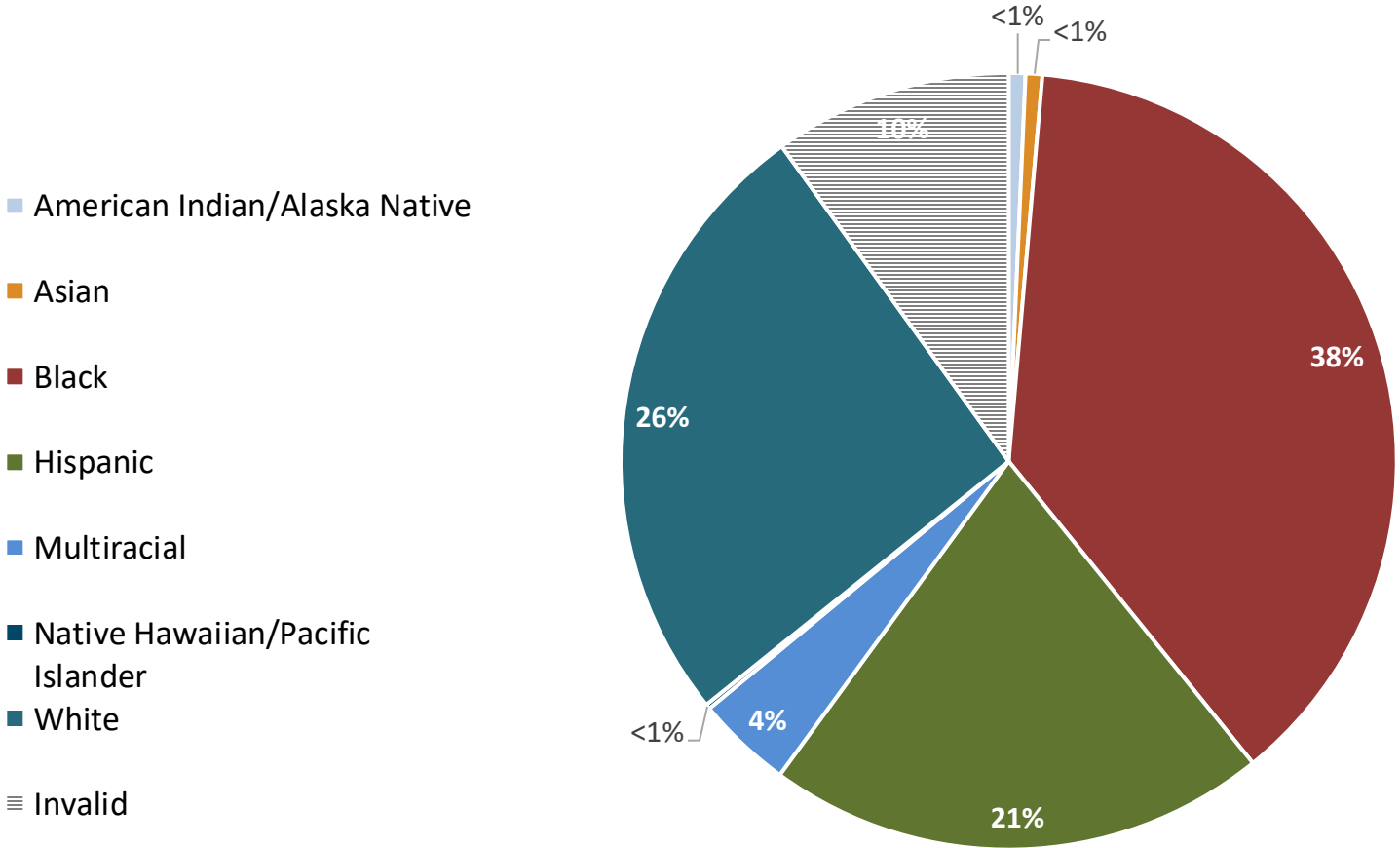
# The Shrinking Pool of Eligible Children: Federal vs. State Rules



# Children Served: Federal vs. State Rules



# Children Served in CCDBG by Race & Ethnicity, FY 2020



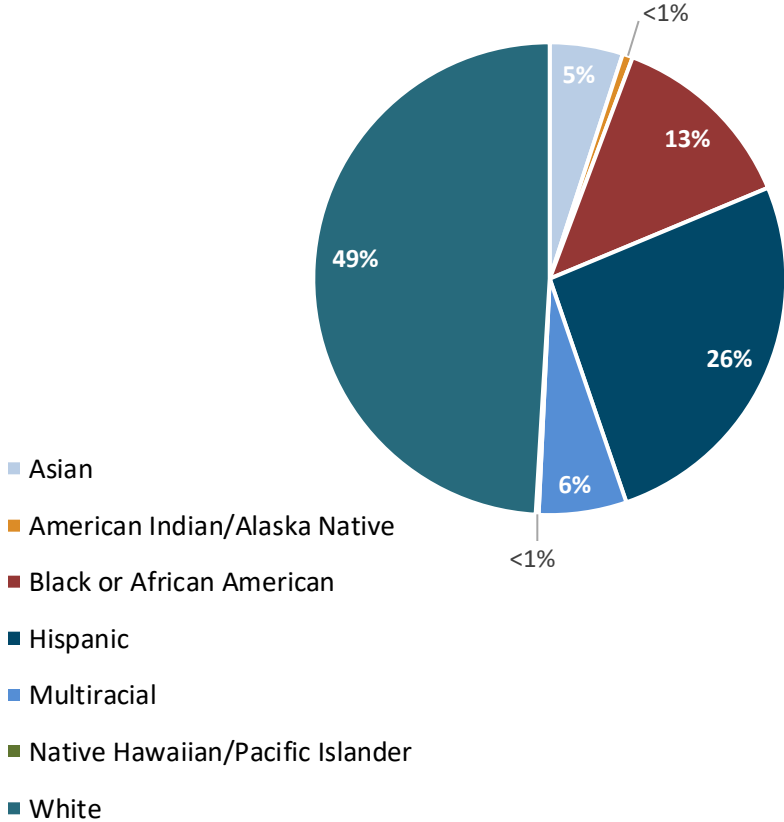
# National Data by Race & Ethnicity: Potentially Eligible Served



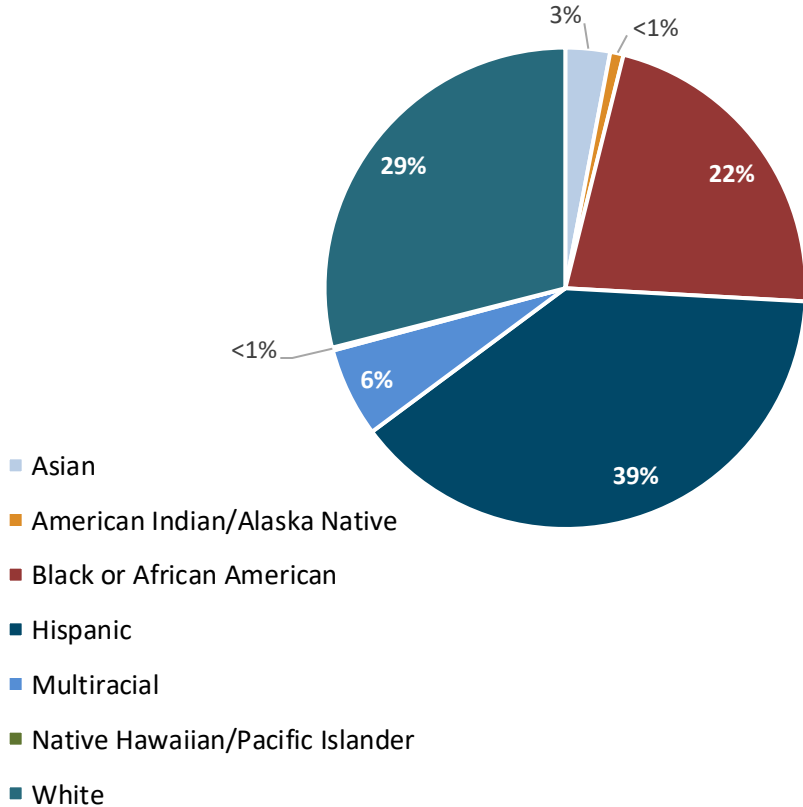
Race/Ethnicity	Estimated & Actual CCDF Subsidy Receipt in a Racial/Ethnic Group Category	
	%	#
All racial/ethnic groups	14	1,430,000
American Indian/Alaska Native	10	9,125
Asian	5	16,902
Black /African American	24	524,459
Hispanic	9	359,851
Multiracial	8	48,194
Native Hawaiian Pacific Islander	11	2,712
White	13	365,970

# National Data by Race/Ethnicity: Potentially Eligible Children

All Children Ages 0 - 13



All Potentially Eligible Children



# Comparing Subsidy Eligibility & Receipt

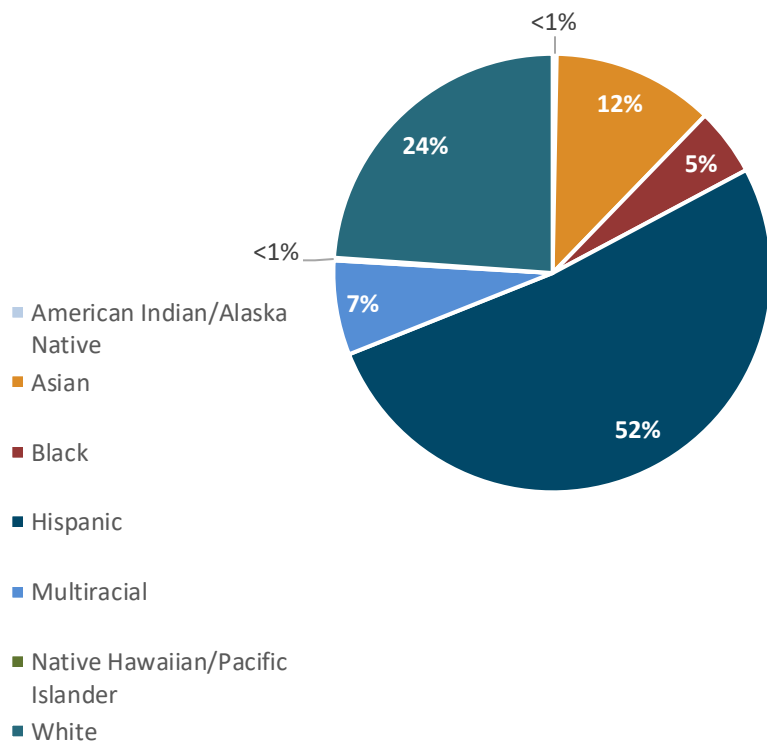
Race/Ethnicity	Children Potentially Eligible for CCDF in a Racial/Ethnic Group Category		Estimated & Actual CCDF Subsidy Receipt in a Racial/Ethnic Group Category	
	%	#	%	#
All racial/ethnic groups	20	10.1 million	14	1,430,000
American Indian/Alaska Native	28	94,962	10	9,125
Asian	13	312,805	5	16,902
Black	36	2.2 million	24	524,459
Hispanic	30	3.9 million	9	359,851
Multiracial	19	579,658	8	48,194
Native Hawaiian Pacific Islander	26	23,720	11	2,712
White	12	2.9 million	13	365,970

# State Spotlights

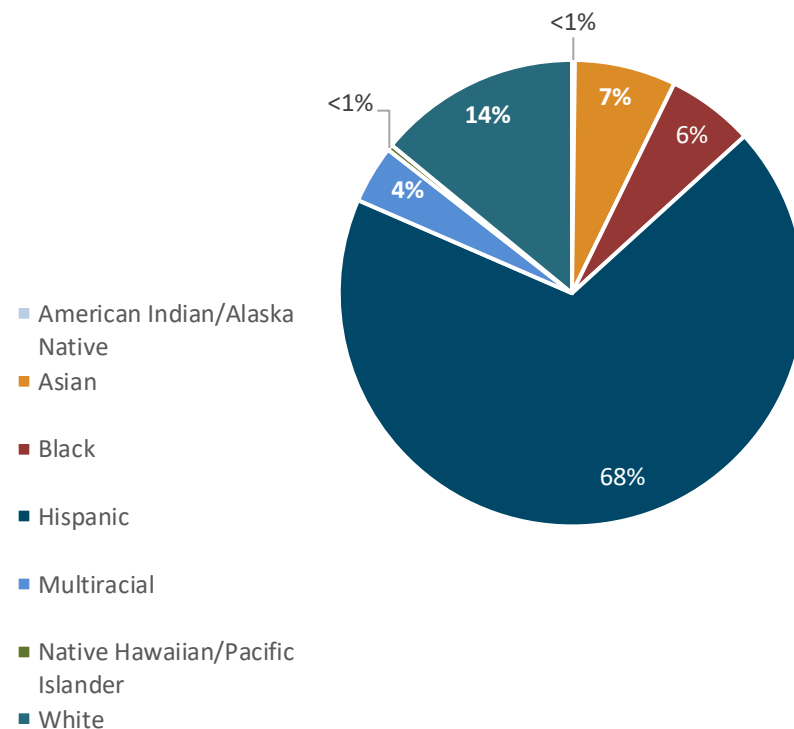


# California: Eligible Population

## All Children Ages 0 - 13



## All Potentially Eligible Children



CLASP analysis of 2019 and 2021 ACS 1-year data and 2017-2021 ACS 5-year data.

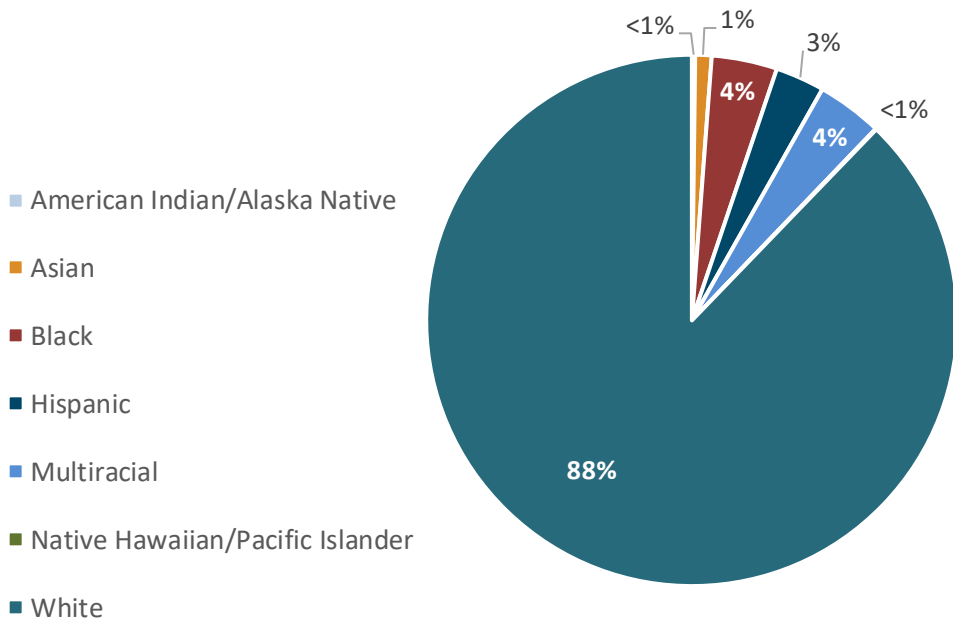


# California: Children Served through CCDBG

Race/Ethnicity	Children Potentially Eligible for a CCDF subsidy within a Racial/Ethnic Group Category		Estimated & Actual CCDF Subsidy Receipt within a Racial/Ethnic Group Category	
	%	#	%	#
All racial/ethnic groups	31	1.9 million	11	200,800
American Indian/Alaska Native	28	4,283	10	412
Asian	17	128,398	6	7,451
Black	42	123,234	34	42,235
Hispanic	41	1.3 million	8	107,521
Multiracial	19	76,166	2	1,894
Native Hawaiian Pacific Islander	39	7,086	9	617
White	17	257,813	16	40,670

# Vermont\*

## CCDF Subsidy Receipt, by Child's Race and Ethnicity

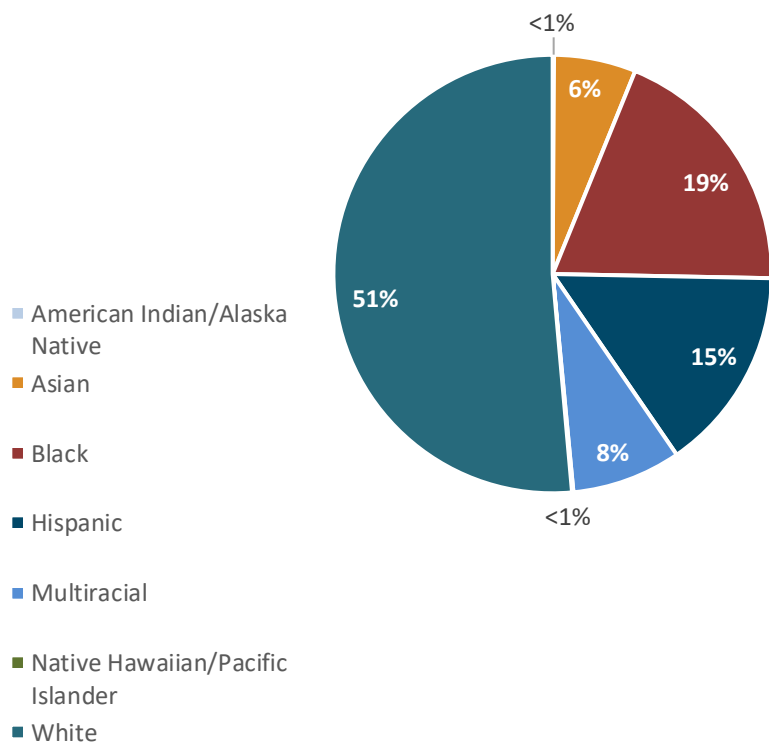


- More than 1 in 3 children were potentially eligible to receive a subsidy in 2020.
- However, only 8% the estimated 26,573 received a subsidy.
- The state income eligibility limit is near the federal maxim allowable income threshold.

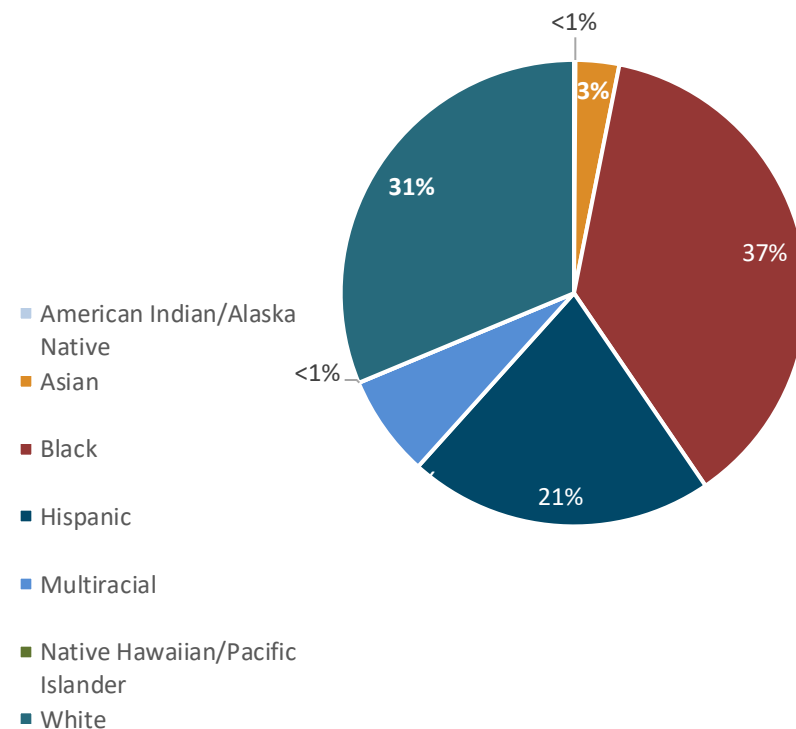
Source: CLASP analysis of ACS 1-year data (2019 and 2021) and ACS 5-year data (2017-2021) <https://data.census.gov/mdat/#/>; the number of children served by race/ethnic category, FY 2020 Preliminary Data Table 1 - Average Monthly Adjusted Number of Families and Children Served (<https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-1>) and FY 2020 Preliminary Data Table 12a - Average Monthly Percent of Children In Care By Race and Ethnicity (<https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-12a>).

# Virginia: Eligible Population

## All Children Ages 0 - 13



## All Potentially Eligible Children



CLASP analysis of 2019 and 2021 ACS 1-year data and 2017-2021 ACS 5-year data.

# Virginia: Children Served through CCDBG

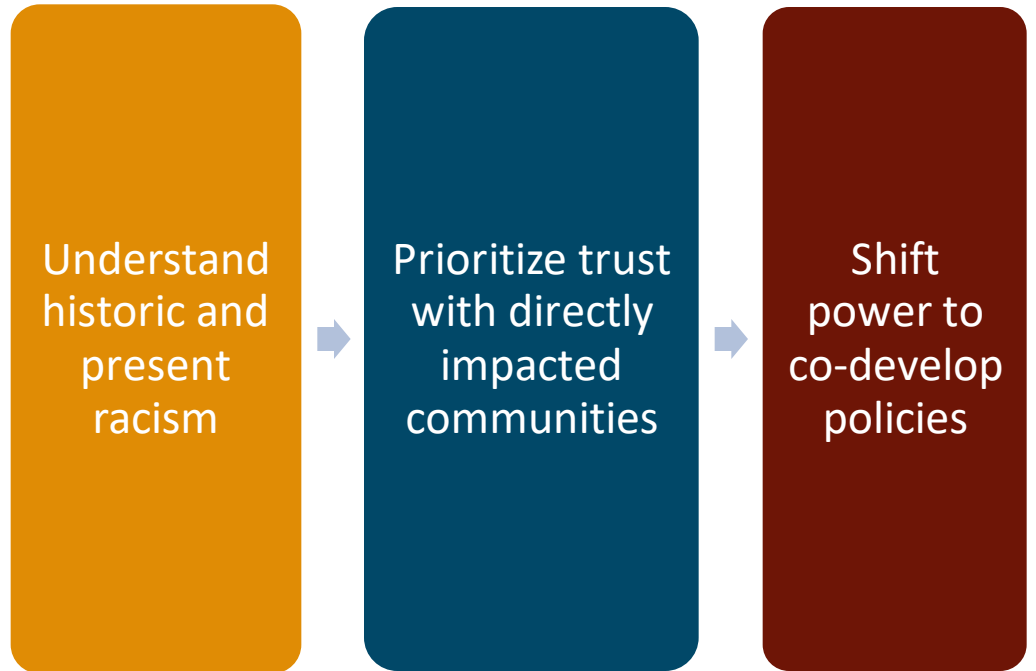
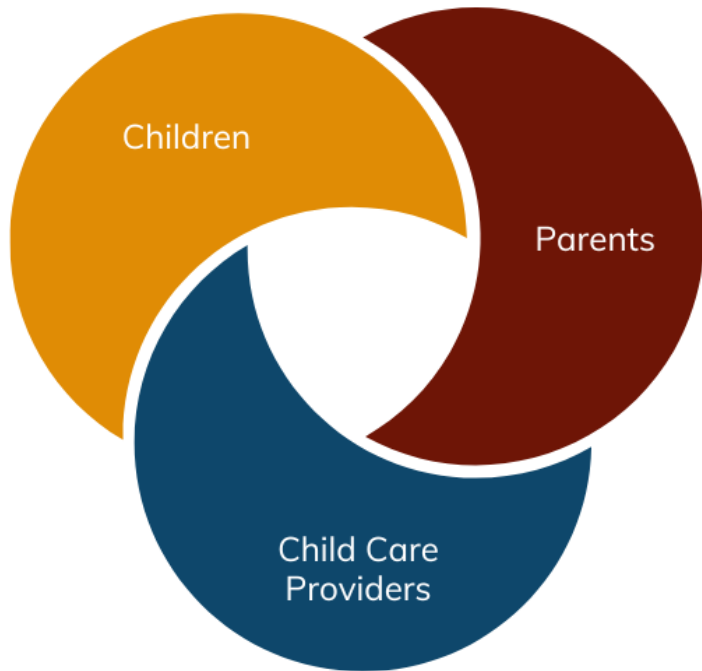
Race/Ethnicity	Children Potentially Eligible for a CCDF subsidy within a Racial/Ethnic Group Category		Estimated & Actual CCDF Subsidy Receipt within a Racial/Ethnic Group Category	
	%	#	%	#
All racial/ethnic groups	17	221,775	9	19,400
American Indian/Alaska Native	13	203	42	86
Asian	8	6,542	5	322
Black	32	82,138	15	12,126
Hispanic	24	46,849	3	1,420
Multiracial	16	16,359	0	0
Native Hawaiian Pacific Islander	4	27	211	56
White	10	68,179	8	5,388

# There is so much more to equity than access to a subsidy

- Availability of types of care that meet the range of parent needs.
  - Hours of care
  - Language, cultural competence, quality
  - Care for children with disabilities or special medical needs
- Willingness to accept children using a subsidy
  - Stigma
  - Administrative burdens
  - Low subsidy amounts
- Proximity and transportation
- Consistency and continuity of care arrangements



# The Need for Transformational Change



# What Can be Done Now

- Information access and outreach
  - Designing the child care assistance website
  - Processing referrals
- Application and eligibility verification
  - Designing the application
  - Defining parent eligible activities
- Affordability
  - Setting initial income eligibility
  - Waiving co-payments
- Provider participation
  - Setting provider payment rates & practices
  - Setting program implementation & provider eligibility requirements



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# Opportunities for States to Expand Access to Child Care Assistance

*Rachel Wilensky, Senior Policy Analyst*  
*Alyssa Fortner, Policy Analyst*  
*Shira Small, Research Assistant*

Monday, May 20<sup>th</sup>  
10:00 AM-11:30 AM

Center for Law and Social Policy





# Questions

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# Contact Information

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# Thank You!

Please fill out our survey.

