

RAISING
CHILD CARE,
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AMERICA
MAY 19-22

Opportunities for States to Expand Access to Child Care Assistance

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Introductions



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Today's Roadmap

- Introductions
- Report Background
- Racial Equity & Transformational Change
- Federal Child Care Programs
- Activity: Identifying Barriers
- Four Policy Levers to Expand Access & State Examples
- Hearing from you!

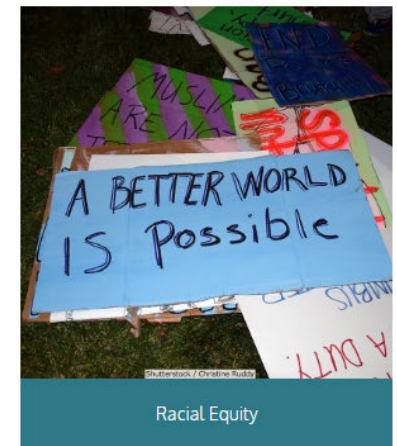
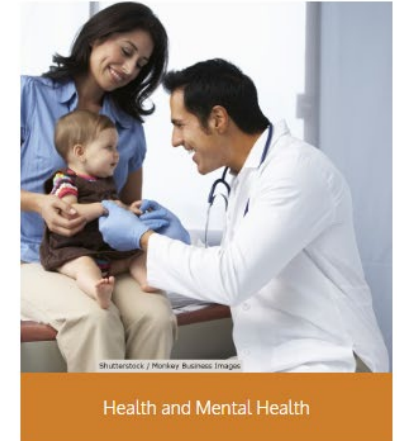
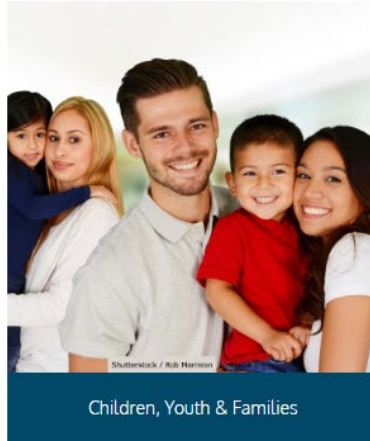
Center for Law and Social Policy (CLASP)

Organization:

National, non-partisan, non-profit 501(c3)

Mission:

Advancing policy solutions for people with low incomes with the understanding that poverty in America is inextricably tied to systemic racism.

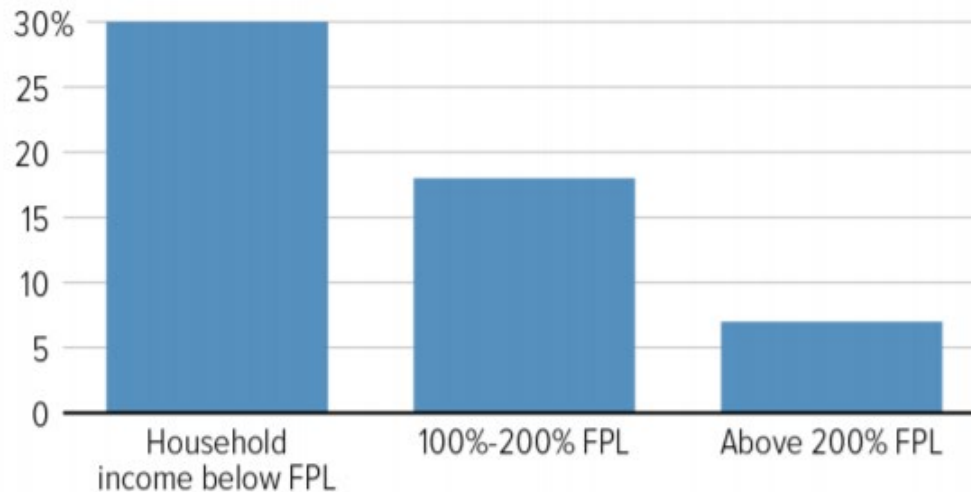


The Report



Child Care Costs Consume a Large Share of Household Budgets

Families with Low Incomes Spend an Average of 30% of Their Income on Child Care



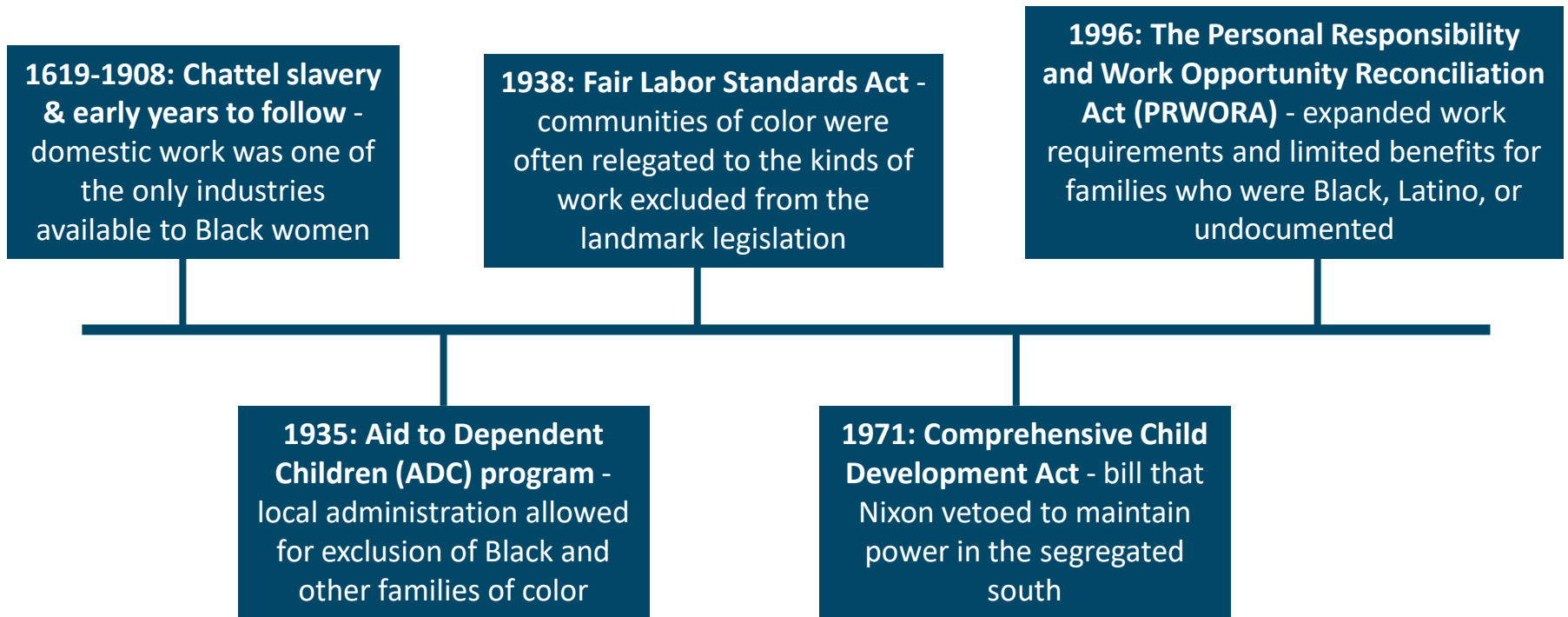
Note: Calculations include only households with child care expenditures. FPL = Federal poverty level.

Source: US Census Bureau 2013: "Who's Minding the Kids? Child Care Arrangements: Spring 2011"

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

Source: U.S. Census Bureau, "Who's Minding the Kids? Child Care Arrangements: Spring 2011," April 2013. CLASP and Center on Budget and Policy Priorities, Child Care and Housing: Big Expenses With Too Little Help Available, 2019.

Snapshot of Historical Policy Context for Child Care



The need for transformational change

The persistence of racial and gender oppression in the child care sector demands that we create a new child care system in our country.



Getty Images | Hispanolistic

Challenges of Changing Policy

- Lack of public funding
- State political climate
- Fear of changing policies and practices



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)



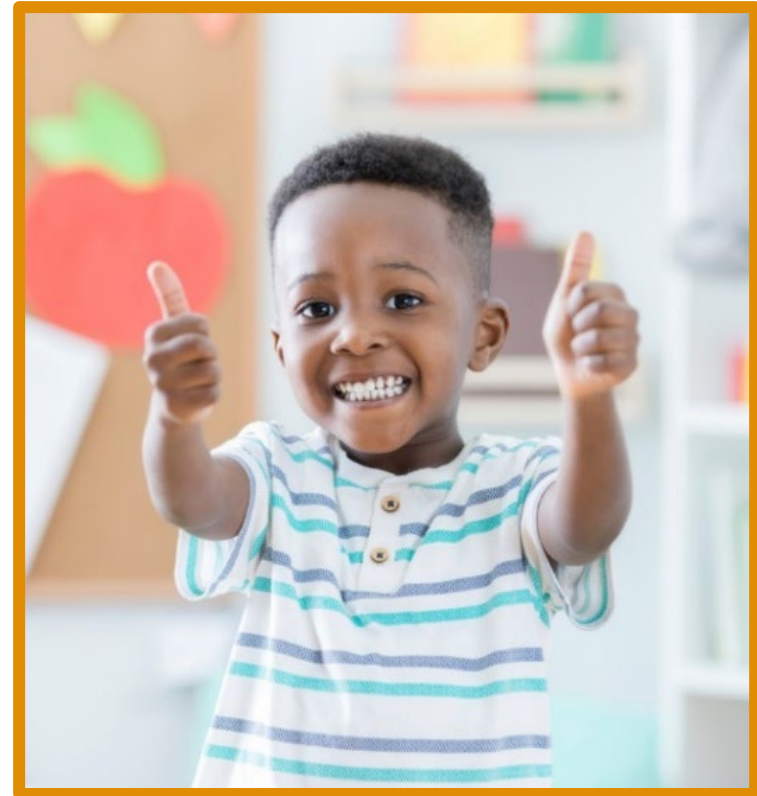
Child Care and Development Block Grant (CCDBG) Overview



- 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.



CCDF Final Rule

What is a final rule?

2016 CCDF final rule

Key updates from 2024



- Co-payments
- Reimbursement based on enrollment
- Online applications

Activity: Barriers & Opportunities

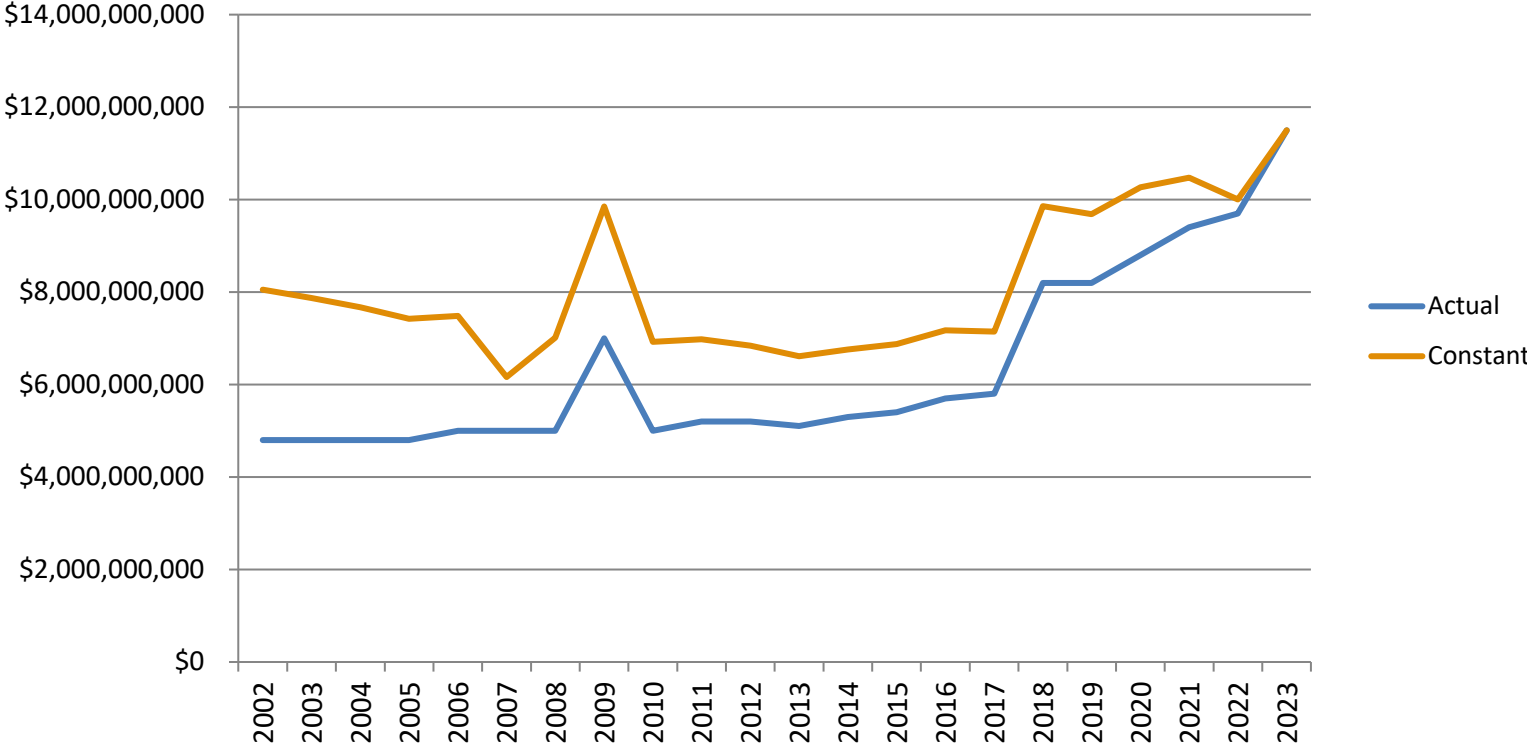
Please discuss the following questions at your table:

- What barriers do you see families, providers and the state child care agency experience?
- What changes or improvements have you seen to make the experiences better?

After you have had some time to talk at your table, we'll discuss as a full group.

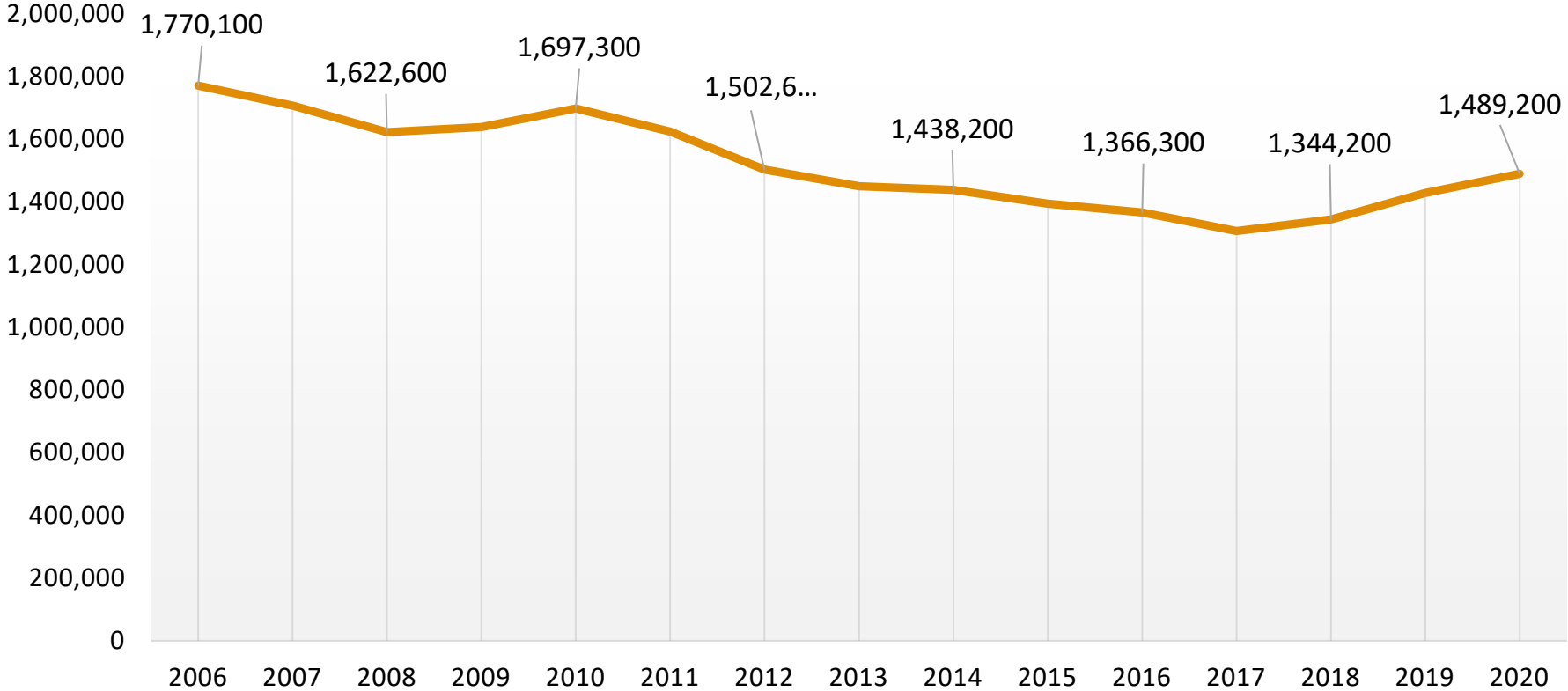
Constrained Federal Funding to States

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



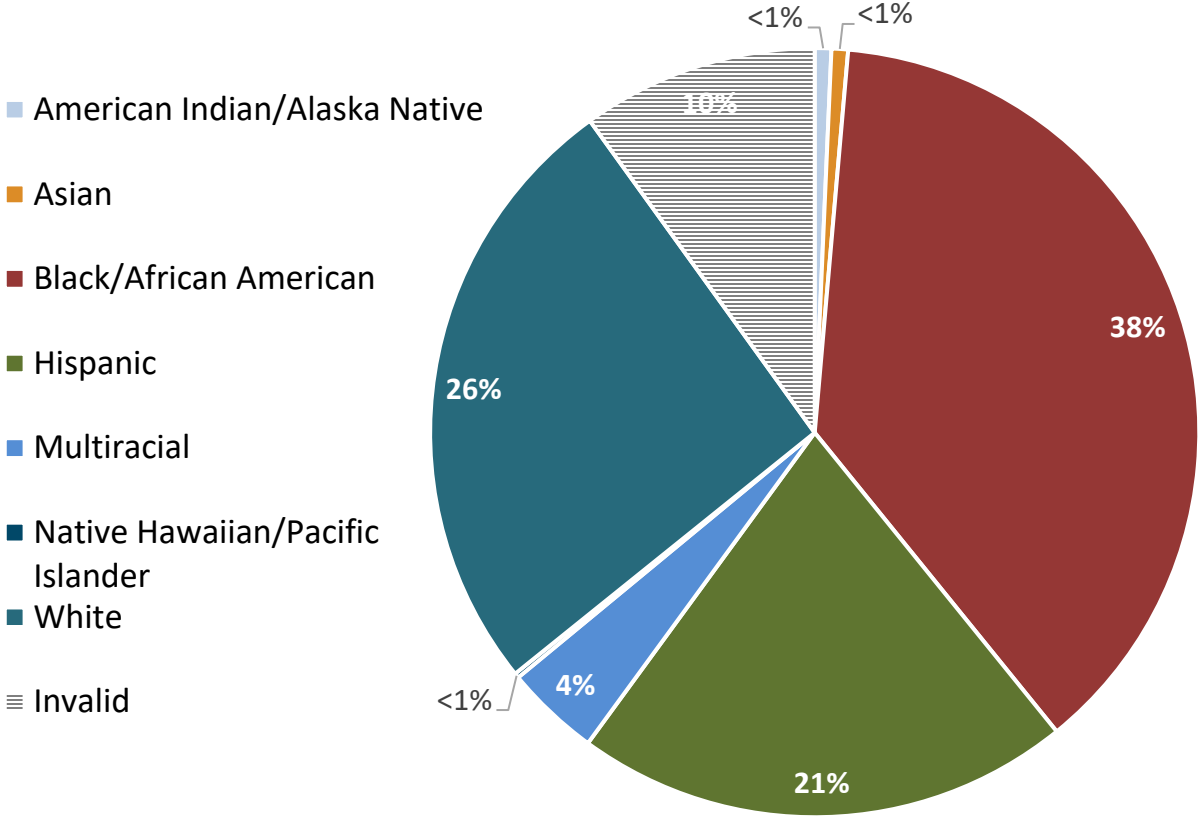
Source: Office of Child Care Administrative Data, CCDF State and Territory Funding Allocations, 2002 – 2023 <https://www.acf.hhs.gov/occ/data/ccdf-state-and-territory-funding-allocations> and CLASP calculations based on Consumer Price Index for All Urban Consumers (CPI-U) from 1913 to 2023* (there are 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 - 2020



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 2020

Children Served in CCDBG by Race & Ethnicity, FY 2020



- State & Federal potential eligibility
- Access to a CCDBG subsidy
- Inequities beyond subsidy eligibility and receipt

Equity Beyond Subsidy Access

- 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



Policies States can Improve 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

Information Access and Outreach

Many families, especially those with low incomes, families of color, and immigrant families, encounter significant barriers when trying to access information about child care services and assistance.



Updates from the March 2024 Final Rule

- Posting sliding fee scales
- Online applications
- Eligibility verification through other programs

Information Access and Outreach

Barriers

- Internet accessibility
- Language accessibility
- Mistrust in government services or agencies
- Decentralized information
- Limited agency staff capacity to conduct outreach and build trust

Policy Considerations

- Make websites user-friendly
- Offer multilingual resources
- Listen to parent experiences
- Offer eligible families automatic referrals to multiple programs
- Share information through trusted partners

Application and Eligibility Verification

Simplifying complex child care subsidy applications is beneficial for both families and administrators



Updates from the March 2024 Final Rule

- Presumptive eligibility
- Additional siblings
- Online applications
- Posting sliding fee scales
- Eligibility verification through other programs

Application and Eligibility Verification

Barriers

- Language & internet accessibility
- Distrust of state applications
- Complex eligibility rules and applications
- Insufficient time and resources

Policy Considerations

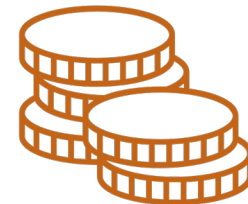
- Simplifying the application
- Protecting applicants' security
- Streamlining eligibility
- Allowing for flexibility
- Simplifying required documentation

Increasing Affordability

- Affordability is one of the main challenges facing families as they try to access child care.
- A limited portion of eligible families are able to access assistance in their state.
- State child care agencies have the flexibility to ensure that high costs don't prevent families from getting the child care they need.

Updates from the March 2024 Final Rule

- Market rate survey reports
- Capping family co-payments
- Waiving co-payments



Increasing Affordability

Barriers

- Co-payments that are unaffordable and difficult for families to calculate when seeking care.
- State income eligibility thresholds below federal limit.
- Insufficient federal and state funding.
- Providers charging families additional fees to account for the true cost of care.

Policy Considerations

- Waive co-payments, or set them below 7 percent, for the most vulnerable families.
- If funding allows, raise the initial income eligibility limit of families to 85 percent of SMI or above this level.
- Explore alternative methodology strategies to better align with the true cost of care.
- Seek alternative state revenue sources, like taxes on higher-income individuals or other innovative ideas.

Recruiting Diverse Providers

A small portion of providers accept child care subsidies.

- Financial considerations are key to providers' decision



Updates from the March 2024 Final Rule

- Reimbursement on enrollment
- Adapting general payment practices of private pay
- Market rate survey reports
- Prospective payment
- Paying the established subsidy rate

Recruiting Diverse Providers

Barriers

- Reimbursement rates set below true cost of care
- Minimal supports to assist providers with additional CCDF requirements
- Limited options for families seeking non-traditional hour care, care in child's home language, and care for children with disabilities

Policy Considerations

- Set payment rates at or above the 75th percentile of market rate survey
- Create positions for facilitators who can help providers through the process
- Use grants and contracts to increase slots for non-traditional hour care

Summary: Policy Levers to Improve Access

State Flexibility	What's Driving Inequity	Policy Considerations (include but are not limited to)
Information access and outreach	Limited access to transportation, unreliable internet connectivity, inconsistent work hours, language barriers, limited literacy	User-friendly websites, multi-lingual materials and personnel, outreach through trusted partners
Application and eligibility verification	Difficult process, can require information from employers, long processing times, limited info on correcting app, data security unclear, more challenging for seasonal workers, gig workers, and people who are self-employed	Simple layout, plain language, mobile-friendly, eliminate duplicative and unnecessary questions, prohibit information sharing with law enforcement agencies, support fluctuating incomes, categorical eligibility, flexible documentation, presumptive eligibility
Affordability	Lack of federal investment means states lower income eligibility threshold & still charge co-payments & allow additional fees for families	Waive & cap co-payments, increase income eligibility, seek state revenue sources, align payment rates with true cost of care, collect data on family fees
Provider participation	Provider payment rates don't cover true cost of care; child care system is not adequately set up to serve children with disabilities, children whose home language isn't English, families that need non-traditional hour care	Increase payment rates, reimburse based on enrollment not attendance, recruit home-based providers, incentivize non-traditional hour care

Promising State Strategies

Information access and outreach

Massachusetts partners with community-based organizations as part of its consumer education efforts.

Affordability

South Dakota has significantly lowered costs for families by reducing and eliminating copayments.

Provider participation

Pennsylvania's child care assistance program increased funding for non-traditional hour care using stabilization grants.

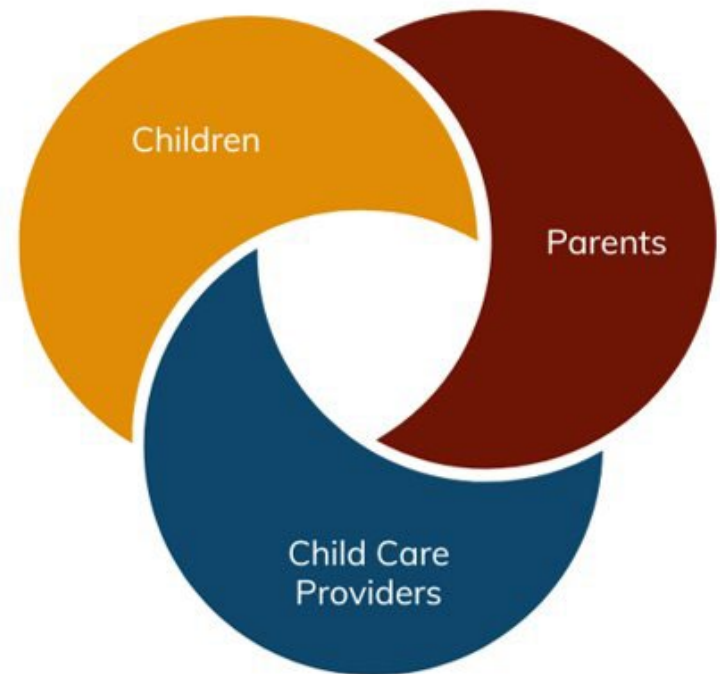
Application and eligibility verification

Minnesota created the MNBenefits website. It permits families to apply to several public assistance programs such as SNAP, TANF, and child care assistance.

Delaware, Maryland, Montana, and Wyoming, among other localities, have a presumptive eligibility policy that allows families to enroll their children in child care for 30 to 60 days, while families complete the eligibility verification process.

What you can do & Where we go from here

- Assessing state policies & data
- Co-developing advocacy strategies and policy solutions with directly impacted communities.
- Ongoing needs:
 - Long-term, robust, sustained funding
 - Holistic approaches that address interconnected needs & avoid unintended consequences
 - Policy centering racial equity



Resources

- [Expanding Access to Child Care Assistance: Opportunities in the Child Care and Development Fund](#)—CLASP 2023
- [Inequitable Access to Child Care Subsidies](#)—CLASP 2019
- [Child Care and Development Fund Notice of Proposed Rulemaking comments](#) – CLASP, 2023
- [Child Care Assistance Spending and Participation in 2020](#)—CLASP, 2023
- [Pandemic Child Care Relief Funds: Documenting Impact Across Four States](#), CLASP 2023
- [Investments in Child Care Are Needed to Improve Provider Pay and Reduce Parent Expense](#) – CLASP, 2022
- [The Racist History Behind Why Black Childcare Workers Are Underpaid](#)—Alycia Hardy, 2022
- [Advancing Equitable State Child Care Policies Using ARPA and Other Relief Funds](#)—CLASP, 2021
- [Shaping Equitable Early Childhood Policy: Incorporating Inclusive Community Engagement Frameworks into Expanded Data Strategies](#)—CLASP, 2021
- [Supporting Immigrant Providers and Families Through Child Care Relief Funds](#)- CLASP, 2021

Questions



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Thank You

Please fill out our survey.

