

# downward **slide** state child care assistance policies 2012

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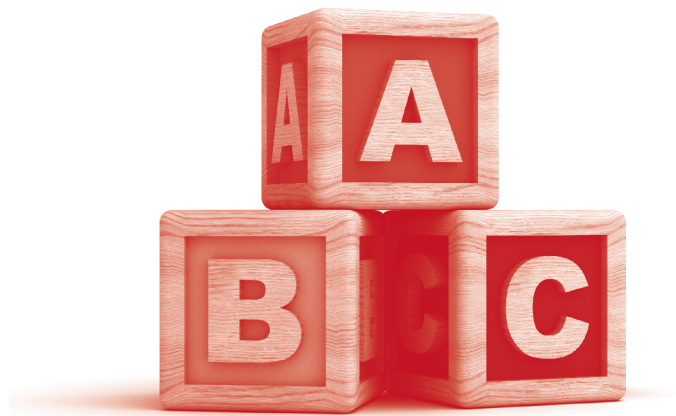
The National Women's Law Center is a non-profit organization whose mission is to expand the possibilities for women and girls by working to remove barriers based on gender, open opportunities, and help women and their families lead economically secure, healthy, and fulfilled lives—especially low-income women and their families.

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# downward **slide** state child care assistance policies 2012

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# introduction

**CHILD CARE HELPS CHILDREN, FAMILIES, AND COMMUNITIES PROSPER.** It gives children the opportunity to learn and develop skills they need to succeed in school and in life.<sup>1</sup> It gives parents the support and peace of mind they need to be productive at work. And, by strengthening the current and future workforce, it helps our nation stay competitive. Yet child care is difficult to afford for many families, particularly low-income families<sup>2</sup> straining to make ends meet in the current economy. The average fee for full-time care ranges from approximately \$3,900 to \$15,000 annually, depending on where the family lives, the type of care, and the age of the child.<sup>3</sup> Child care assistance can help families with this high cost for child care.

Despite the importance of child care assistance, families in twenty-seven states were worse off in February 2012 than in February 2011 under one or more child care assistance policies covered in this report, and families in seventeen states were better off under one or more of these policies.<sup>4</sup> The policies covered are critical in determining families' access to child care assistance and the extent of help they receive from that assistance—income eligibility limits to qualify for child care assistance, waiting lists for child care assistance, copayments required of parents receiving child care assistance, reimbursement rates for child care providers serving families receiving child care assistance, and eligibility for child care assistance for parents searching for a job.<sup>5</sup>

This was the second year in a row in which the situation worsened for families in more states than it improved. In February 2011, families in thirty-seven states were worse off under one or more child care assistance policies covered in this report and families in eleven states were

better off under one or more of these policies than in February 2010.<sup>6</sup> The negative trends in each of the last two years are likely due in part to the exhaustion by states of the \$2 billion in additional funding for the Child Care and Development Block Grant (CCDBG) for FY 2009 and FY 2010 provided by the American Recovery and Reinvestment Act (ARRA)<sup>7</sup>—states had to obligate all of the funds by September 2010 and expend those funds by September 2011.<sup>8</sup> The slight increases in annual funding for CCDBG in FY 2011 and FY 2012 were not sufficient to cover inflation, much less offset this loss in ARRA funds.

In addition, families were worse off in 2012 than they were in 2001 in more states than they were better off under each of the four policies for which there are comparison data for 2001.<sup>9</sup>

## Families in twenty-seven states were worse off in February 2012 than in February 2011 under one or more child care assistance policies.

Changes between February 2011 and February 2012 and between 2001 and February 2012 are described in more detail below, but in summary:

- Seven states lowered their income eligibility limits as a dollar amount between 2011 and 2012. Fourteen states kept their income limits the same as a dollar amount. The remaining states increased their income limits to adjust for one year of inflation (twenty-eight states) or for multiple years of inflation (two states), as measured against the

change in the state median income or federal poverty level.<sup>10</sup> In twenty-three states, the income limits in 2012 were lower as a percentage of the federal poverty level than in 2001.<sup>11</sup>

- Twenty-three states had waiting lists or frozen intake for child care assistance in 2012, higher than the twenty-two states with waiting lists or frozen intake in 2011 and the twenty-one states with waiting lists or frozen intake in 2001. Among the seventeen states that had waiting lists in both years and for which comparable data were available, the number of children on the waiting list increased in eight states, decreased in eight states, and stayed the same in one state between 2011 and 2012. Among the twelve states that had waiting lists in both years and for which there were comparable data, the number of children on the waiting list increased in nine states and decreased in three states between 2001 and 2012.
- In nearly one-fifth of the states, families paid a higher percentage of their income in copayments in 2012 than in 2011, and in most of the remaining states, families paid the same percentage of their income in copayments in 2012 as in 2011. In over two-fifths to nearly three-fifths of the states, depending on income, families paid a higher percentage of their income in copayments in 2012 than in 2001. In addition, in over one-third to over half of the states, depending on income, individual families were required to pay more in copayments than the nationwide average amount that families who pay for child care spend on child care.
- Only one state had reimbursement rates at the federally recommended level for providers who serve families receiving child care assistance in 2012, a slight decrease from the three states with rates at the recommended level in 2011, and a significant decrease from the twenty-two states with rates at the recommended level in 2001. Approximately three-fifths of the states had higher reimbursement rates for higher-quality providers in 2012, but in nearly four-fifths of these states, even the higher rates were below the federally recommended level.
- Forty-six states allowed families receiving child care assistance to continue receiving it while a parent searched for a job in 2012, the same number of states as in 2011. However, between 2011 and 2012, two of these states reduced the length of time families could receive child care assistance while a parent searched for a job. Sixteen states allowed families not receiving child care assistance to qualify for assistance while a parent searched for a job in 2012, a decrease from seventeen states in 2011. In addition, between 2011 and 2012, one state reduced the length of time these families could receive child care assistance while a parent searched for a job.<sup>12</sup>

# looking ahead: developments since february 2012

**ALTHOUGH THIS REPORT PRIMARILY FOCUSES ON CHANGES BETWEEN FEBRUARY 2011 AND FEBRUARY 2012,** states reported on some changes they made or expected to make after February 2012. Thirteen states reported improvements in one or more of the policies covered in this report, and ten states reported cutbacks in these policies that had been made or would be made after February 2012.<sup>13</sup> The mixed picture likely reflects that, although states are slowly recovering from the recession and have smaller budget shortfalls than in previous years, many still have large budget gaps.<sup>14</sup>

- Two states increased or planned to increase their income eligibility limits for child care assistance after February 2012.

- ▶ Idaho increased its income eligibility limit, which had not been adjusted since 2008, from 135 percent of the 2007 federal poverty level (\$23,184 a year for a family of three) to 130 percent of the 2011 federal poverty level (\$24,096 a year for a family of three) as of July 2012, and plans to continue to adjust its income eligibility limit each year for the updated federal poverty level.

- ▶ Washington increased its income eligibility limit from 175 percent of the 2011 federal poverty level (\$32,424 a year for a family of three) to 200 percent of the 2012 federal poverty level (\$38,184 a year for a family of three) as of July 2012.

- One state reduced its income eligibility limit for child care assistance after February 2012.<sup>15</sup>

- ▶ Louisiana reduced its income eligibility limit for child care assistance from 65 percent of the 2011 state

median income (\$35,868 a year for a family of three) to 55 percent of the 2011 state median income (\$30,353 a year for a family of three) as of August 2012.

- Seven states reduced or expected to reduce the number of children on their waiting lists for child care assistance, or reopened intake, after February 2012.

- ▶ Arkansas reduced the number of children on the waiting list for child care assistance from 14,000 children as of February 2012 to just 78 children as of August 2012.

- ▶ Colorado reduced the number of children on its county waiting lists. In February 2012, nine of the state's 64 counties had waiting lists with a total of 677 children. In June 2012, only four counties had waiting lists with a total of 94 children.

- ▶ Georgia, which had frozen intake for child care assistance (turning away families who applied without even placing their names on waiting lists) as of February 2012, began to provide child care assistance to new applicants in some areas of the state as of March 2012.

- ▶ Mississippi, which had an estimated 9,000 children on the waiting list as of February 2012, planned to provide child care assistance to over 1,000 children on the waiting list.

- ▶ New Jersey reduced the number of children on the waiting list from 10,472 children as of February 2012 to 3,633 children as of August 2012.

- ▶ New Mexico reduced the number of children on the waiting list from 6,614 children as of February 2012 to 3,978 children as of August 2012.

- ▶ Oregon, which had 6,300 children on the waiting list for child care assistance as of February 2012, as of July 1, 2012 provided child care assistance to all eligible families on the waiting list.
- Three states started or increased their waiting lists for child care assistance after February 2012.
  - ▶ Florida's waiting list increased from 71,803 children as of February 2012 to 78,892 children as of July 2012.
  - ▶ Maine, which had previously been serving eligible families who applied without placing them on waiting lists, started a waiting list in March 2012 and had 568 children on it as of July 2012.
  - ▶ Maryland's waiting list increased from 17,058 children as of February 2012 to 21,170 children as of August 2012.
- Three states increased their copayments for families receiving child care assistance after February 2012.
  - ▶ Illinois increased its copayments as of July 2012. For example, the monthly copayment for a family of three with an annual income of \$28,635 (150 percent of poverty) increased from \$147 to \$180, and the monthly copayment for a family of three with an annual income of \$19,090 (100 percent of poverty) increased from \$59 to \$63.
  - ▶ Oregon increased its copayments by 10 percent as of May 1, 2012.
  - ▶ West Virginia increased its copayments, with the higher copayments phased in between August and October 2012.<sup>16</sup> For example, the monthly copayment for a family of three with an annual income of \$28,635 (150 percent of poverty) increased from \$58 to \$114, and the monthly copayment for a family of three with an annual income of \$19,090 (100 percent of poverty) increased from \$40 to \$65.
- Three states increased their reimbursement rates for providers serving families receiving child care assistance after February 2012.
  - ▶ North Dakota increased its reimbursement rates to the 50th percentile of 2010 market rates (except rates for school-age care, which were increased to approximately the 75th percentile of market rates) as of July 2012. For example, the monthly reimbursement rate for center care for a four-year-old statewide increased from \$464 to \$535.
  - ▶ South Dakota increased its reimbursement rates from the 75th percentile of 2008-2009 market rates to the 75th percentile of 2010-2011 market rates, the federally recommended level, as of July 1, 2012. For example, the monthly reimbursement rate for center care for a four-year-old in Minnehaha increased from \$614 to \$644.
  - ▶ Utah increased its reimbursement rates as of July 2012. For example, the monthly reimbursement rate for center care for a four-year-old statewide increased from \$450 to \$480.
- One state implemented a new tiered reimbursement system after February 2012 with more tiers than its previous system. However, the lowest rate under the new system is lower than the lowest rate under the previous system and the highest rate under the new system is no higher than the highest rate under the previous system.
  - ▶ Wisconsin, which previously had a two-tier reimbursement system, adopted a five-tier reimbursement system as of July 1, 2012. Under the previous system, providers who met basic licensing standards received one rate (hereinafter the "basic rate") and providers whose care was accredited received a 10 percent higher rate. Under the new system, there are five tiers: one star for providers whose child care licenses or certifications have been revoked, denied or suspended, or whose child care assistance payments have been ended due to fraud or suspected fraud; two stars for providers who meet basic licensing standards; three stars for providers who meet a "proficient" level of quality as determined by a point system; four stars for providers who meet an "elevated" level of quality as determined by a point system; and five stars for providers who meet the "highest" level of quality as determined by a point system or whose care is accredited. Under the new reimbursement rate structure, one-star providers are not eligible for reimbursement from the child care assistance program; two-star providers receive a rate that is 5 percent lower than



the previous basic rate; three-star providers receive a rate that is the same as the previous basic rate; four-star providers receive a rate that is 5 percent higher than the previous basic rate; and five-star providers receive a rate that is 10 percent higher than the previous basic rate (and equal to the previous rate for accredited care).

- One state is considering increasing the maximum amount of time families can receive child care assistance while a parent searches for a job after February 2012.
  - ▶ Alaska is considering increasing the amount of time families can receive child care assistance while a parent searches for a job from 80 hours a year to 80 hours per quarter.
- Two states either eliminated the ability for families to qualify for child care assistance while a parent searches for a job, or reduced the amount of time families can receive such assistance while a parent searches for a job after February 2012.

- ▶ Arkansas stopped allowing families who are not receiving child care assistance to qualify for assistance while a parent searches for a job, as of July 2012.
- ▶ Pennsylvania reduced the amount of time families receiving child care assistance can receive it while a parent searches for a job from sixty days to thirty days, as of July 1, 2012. Families with a parent who involuntarily loses a job will continue to be eligible for assistance for sixty days, but after thirty days, the assistance will be suspended and the state will not resume assistance until the parent is employed. If the parent finds employment before the sixtieth day, the state will resume child care assistance without the family's having to go on the waiting list. If the parent does not find employment by the sixtieth day, the state will terminate the family's assistance, subject to a thirteen-day notification period, and the family has to go on the waiting list to receive child care assistance again.

# methodology

**THE DATA IN THIS REPORT WERE COLLECTED BY THE NATIONAL WOMEN'S LAW CENTER FROM STATE CHILD CARE ADMINISTRATORS** in the fifty states and the District of Columbia (counted as a state in this report). The state child care administrators were sent a survey in the spring of 2012 requesting data on policies as of February 2012 in five key areas—income eligibility limits, waiting lists, parent copayments, reimbursement rates, and eligibility for child care assistance for parents searching for a job. States were also asked to report on any policy changes that had been made or were expected to be made after February 2012 in each of the five areas. The survey questions were largely the same as in previous years, although there were additional questions about the waiting lists to obtain more detail on the ways in which they operate. In addition, states were asked to report recent or expected changes in other policies that affect the availability of child care assistance for families and the extent of the help they receive from that assistance. The state administrators were contacted by Center staff for follow-up information as necessary. Supplementary information about states' policies was obtained from documents available on state agencies' websites.

The 2011 data used in this report for comparison purposes were collected by the Center through a similar process and published in the Center's October 2011 report, *State Child Care Assistance Policies 2011: Reduced Support for Families in Challenging Times*. The 2001 data used in this report were collected by the Children's Defense Fund (CDF) and published in CDF's report, *State Developments in Child Care, Early Education and School-Age Care 2001*. CDF staff collected the data through surveys and interviews with state child care advocates and verified the data with state child care administrators. The CDF data reflect policies in effect as of June 1, 2001, unless

otherwise indicated. The Center uses 2001 as a basis for comparison because it was the year between the peak year for TANF funding for child care, FY 2000, and what was the peak year for CCDBG funding, FY 2002, until FY 2010, when ARRA provided a temporary boost in child care funding (see the section below on funding for child care assistance).

The Center chose to examine the policy areas covered in this report because they are central determinants of whether low-income families can receive child care assistance and the extent of assistance they can receive. Income eligibility limits reveal how generous a state is in determining families who qualify for child care assistance,<sup>17</sup> and waiting lists help reveal whether families who qualify for assistance actually receive it. Parent copayment levels reveal whether low-income parents receiving assistance have significant out-of-pocket costs for child care. Reimbursement rates reveal the extent to which families receiving assistance may be limited in both their choice of child care providers and the quality of care those providers offer. Eligibility policies for parents searching for work reveal whether parents can receive child care assistance while seeking employment without disrupting their child's child care arrangement.

There are obviously many other policies that can affect families' access to child care assistance and the extent of help they can receive—for example, state policies on how long families can remain eligible for child care assistance without recertifying their eligibility and policies on reimbursing child care providers for days when children are absent from care. While this year's report does not address such policies, in some years the Center adds questions to its survey to examine policies beyond the key areas addressed annually.

# funding for child care assistance for low-income families

**TOTAL FEDERAL FUNDING FOR CHILD CARE ASSISTANCE HAS DECLINED SINCE 2001.** The primary source of funding for child care assistance is the federal Child Care and Development Block Grant (CCDBG) program. CCDBG funding was \$5.195 billion in FY 2012.<sup>18</sup> CCDBG funding in FY 2012 was slightly higher than in FY 2011 before adjusting for inflation (\$5.140 billion<sup>19</sup>), but not after adjusting for inflation (\$5.243 billion in FY 2012 dollars<sup>20</sup>). In addition, CCDBG funding in FY 2012 was below funding in FY 2010 even before adjusting for inflation—\$6.044 billion (including the additional \$2 billion in CCDBG funding for states to obligate in FY 2009 and FY 2010 provided through the American Recovery and Reinvestment Act, assuming \$1 billion of ARRA funds each year for FY 2009 and FY 2010),<sup>21</sup> or \$6.313 billion in FY 2012 dollars.<sup>22</sup> The FY 2010 level represented a peak for CCDBG, exceeding the previous peak for CCDBG funding after adjusting for inflation (\$6.140 billion in FY 2012 dollars<sup>23</sup>), which occurred in FY 2002. However, the ARRA funding that contributed to the FY 2010 peak funding level was temporary.

Another important source of child care funding is the Temporary Assistance for Needy Families (TANF) block grant. States may transfer up to 30 percent of their TANF block grant funds to CCDBG, or use TANF funds directly for child care without first transferring the money. States' use of TANF dollars for child care (including both transfers and direct funding) was \$2.917 billion in FY 2011 (the most recent year for which data are available),<sup>24</sup> below the high of \$3.966 billion in FY 2000<sup>25</sup> even without adjusting for inflation. (In FY 2012 dollars, use of TANF funds for child care was \$2.975 billion in FY 2011 compared to \$5.361 billion in FY 2000.<sup>26</sup>)

Total federal child care funding from CCDBG and TANF in FY 2012, assuming use of TANF funds was the same as the FY 2011 inflation-adjusted amount, was \$8.170 billion, which was slightly below funding in FY 2011 after adjusting for inflation—\$8.218 billion in 2012 dollars—and significantly below funding in FY 2001 after adjusting for inflation—\$10.594 billion in FY 2012 dollars.<sup>27</sup>

# income eligibility limits

## A FAMILY'S ACCESS TO CHILD CARE ASSISTANCE

**DEPENDS ON A STATE'S INCOME ELIGIBILITY LIMIT.** The family's ability to obtain child care assistance is affected not only by a state's limit in a given year, but also by whether the state adjusts the limit for inflation each year so that the family does not become ineligible for assistance because its income simply keeps pace with inflation.

Between 2011 and 2012, approximately three-fifths of the states increased their income eligibility limits as a dollar amount to adjust for inflation, as measured against the change in the federal poverty level or state median income, depending on which benchmark the state used.<sup>28</sup> However, over one-quarter of the states did not increase their income limits, and several states reduced their income limits. Between 2001 and 2012, over four-fifths of the states increased their income limits as a dollar amount. However, between 2001 and 2012, nearly half of the states failed to increase their income limits sufficiently to keep pace with inflation, as measured against the change in the federal poverty level.<sup>29</sup> Moreover, nearly three-quarters of the states had income limits at or below 200 percent of poverty in 2012.

- Thirty states increased their income eligibility limits as a dollar amount between 2011 and 2012 to adjust for inflation, including twenty-eight states that adjusted for one year of inflation<sup>30</sup> and two states that adjusted for multiple years of inflation to make up for years in which they had not adjusted for inflation (see *Table 1a*).<sup>31</sup>
- In seven states, the income eligibility limit was lower as a dollar amount in 2012 than in 2011. Three of these seven states set their income limits based on the federal poverty level and reduced their income limits as a percentage of the federal poverty level.<sup>32</sup> Two of these seven states set their income limits based on state median income and reduced their income limits as a percentage of state median income.<sup>33</sup> Two of these seven states set their income limits based on state median income and reduced their income limits to adjust for state median income that decreased.<sup>34</sup>

- In fourteen states, the income eligibility limit was the same as a dollar amount in 2012 as in 2011.
- Forty-four states increased their income eligibility limits as a dollar amount between 2001 and 2012 (see *Table 1b*). In eight of these states, the increase was great enough that the income limit was higher as a percentage of the federal poverty level in 2012 than in 2001. In twenty of these states, the increase was great enough that the income limit stayed the same, or nearly the same, as a percentage of the federal poverty level in 2012 as in 2001.<sup>35</sup> However, in sixteen of these states, the increase was not sufficient to keep pace with the federal poverty level, so the income limit was lower as a percentage of the federal poverty level in 2012 than in 2001.

## Between 2001 and 2012, nearly half of the states failed to increase their income limits sufficiently to keep pace with inflation.

- In seven states, the income eligibility limit was lower as a dollar amount in 2012 than in 2001. In these states, the income limit decreased as a percentage of the federal poverty level, bringing to twenty-three the total number of states in which the income limit failed to keep pace with the increase in the federal poverty level between 2001 and 2012.
- The income eligibility limit was above 100 percent of the federal poverty level (\$19,090 a year for a family of three in 2012) in all states in 2012. However, a family with an income above 150 percent of poverty (\$28,635 a year for a family of three in 2012) could not qualify for child care assistance in fourteen states. A family with an income above 200 percent of poverty (\$38,180 a year for a family of three in 2012) could not qualify for assistance in thirty-seven states. Yet, 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, based on a study by the Economic Policy Institute.<sup>36</sup>

# waiting lists

## **EVEN IF FAMILIES ARE ELIGIBLE FOR CHILD CARE ASSISTANCE, THEY MAY NOT NECESSARILY RECEIVE IT.**

Instead, they may find that their state places eligible families on a waiting list or has frozen intake (turning away eligible families without adding their names to a waiting list). Families on the waiting list may have to wait months before receiving child care assistance, or may never receive it. Families on the waiting list must make difficult choices. As illustrated by several studies,<sup>37</sup> these families often struggle to pay for stable, good-quality child care and pay their other bills, or have no choice but to use low-cost—and frequently low-quality—care. Some families cannot afford any child care, preventing parents from getting or keeping a job.

In 2012, more than half of the states were able to serve eligible families who applied for child care assistance without placing any on waiting lists or freezing intake, but nearly half of the states had waiting lists or frozen intake for at least some families applying for assistance. The number of states with waiting lists or frozen intake in 2012 was slightly higher than the number in 2011, which was slightly higher than the number in 2001. The same number of states' waiting lists increased as decreased between 2011 and 2012, but more states' waiting lists increased than decreased between 2001 and 2012.<sup>38</sup>

The amount of time families spend on the waiting list for child care assistance varies greatly among states. In some states, the average wait is a few weeks or months, with families taken off the waiting list and able to receive assistance daily, while in other states, the average wait is a year or more with little movement off the list.

- Twenty-three states had waiting lists or frozen intake in 2012, compared to twenty-two states in 2011, and twenty-one states in 2001 (see *Table 2*).
- Eight states had longer waiting lists in 2012 than in 2011, eight states had shorter waiting lists, and one state had the same number of children on the waiting list in both years. In the remaining four states with waiting lists or frozen intake in both 2011 and 2012, it was not possible to compare the length of waiting lists based on the available data.

## **Twenty-three states had waiting lists or frozen intake in 2012.**

- Nine states had longer waiting lists in 2012 than in 2001, and three states had shorter waiting lists. In the remaining six states with waiting lists or frozen intake in both 2001 and 2012, it was not possible to compare the length of waiting lists based on the available data.
- Among the nine states with waiting lists that reported data for 2012, the average length of time families spent on the waiting list before receiving child care assistance was less than six months in three states, between six months and a year in two states, and more than a year in four states. The average length of time families spent on the waiting list ranged from sixty days in one state to eighteen months to two years in another state. Comparable data were not collected in 2011 or 2001.
- Among the nine states with waiting lists that reported data for 2012, the length of time since a state had last taken a family off the waiting list and provided the family with child care assistance was a month or less in five states (including two states that took families off the list daily), between six months and a year in one state, and more than one year in three states. Comparable data were not collected in 2011 or 2001.

# copayments

**MOST STATES REQUIRE FAMILIES RECEIVING CHILD CARE ASSISTANCE** to contribute toward their child care costs based on a sliding fee scale that is designed to charge progressively higher copayments to families at progressively higher income levels. Some states also take into account the cost of care used by a family in determining the amount of the family's copayment. If states set high copayments, low-income families receiving child care assistance may find it extremely difficult to cover those copayments, which can force their child care providers to absorb the lost income or deter families from participating in the child care assistance program.

**In nearly one-fifth of the states, families paid a higher percentage of their income in copayments in 2012 than in 2011.**

This study examines state copayment policies by considering two hypothetical families: a family of three with an income at 100 percent of the federal poverty level and a family of three with an income at 150 percent of the federal poverty level.<sup>39</sup> In nearly one-fifth of the states, families paid a higher percentage of their income in copayments in 2012 than in 2011. In only one or two states, depending on income, families paid a lower percentage of their income in copayments in 2012 than in 2011. In the remaining states, copayments remained the same between 2011 and 2012. In over two-fifths to nearly three-fifths of the states, depending on income, families paid a higher percentage of their income in copayments in 2012 than in 2011.

Many states had relatively high copayments in 2012. In over 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 (including those who receive child care assistance and those who do not) spent on child care—7.8 percent of income.<sup>40</sup>

- In nine states, copayments for a family of three at 150 percent of poverty<sup>41</sup> increased as a percentage of income between 2011 and 2012 (*see Table 3a*). In thirty-three states, copayments remained the same as a percentage of income. In one state, copayments decreased as a percentage of income. In one state, a family at 150 percent of poverty was eligible for child care assistance in 2011 but not in 2012, and in seven states, a family at 150 percent of poverty was not eligible in either 2011 or 2012.<sup>42</sup>
- In twenty-two states, copayments for a family of three at 150 percent of poverty<sup>43</sup> increased as a percentage of income between 2001 and 2012. In seven states, copayments remained the same as a percentage of income. In fourteen states, copayments decreased as a percentage of income. In five states, a family at 150 percent of poverty was eligible for child care assistance in 2001 but not in 2012, and in three states, a family at 150 percent of poverty was not eligible in either 2001 or 2012.
- In nine states, copayments for a family of three at 100 percent of poverty increased as a percentage of income between 2011 and 2012 (*see Table 3b*). In forty states, copayments remained the same as a percentage of income. In two states, copayments decreased as a percentage of income.
- In twenty-nine states, copayments for a family of three at 100 percent of poverty increased as a percentage of income between 2001 and 2012. In fourteen states, copayments remained the same as a percentage of income. In eight states, copayments decreased as a percentage of income.
- In twenty-eight states, the copayment for a family of three at 150 percent of poverty was above \$186 per month (7.8 percent of income) in 2012. In an additional eight states, a family at this income level was not eligible for child care assistance.
- In eighteen states, the copayment for a family of three at 100 percent of poverty was above \$124 per month (7.8 percent of income) in 2012.



# reimbursement rates

**STATES ESTABLISH REIMBURSEMENT RATES FOR CHILD CARE PROVIDERS** who care for children receiving child care assistance. The reimbursement rate is a ceiling on the amount the state will pay providers, and a provider will be reimbursed at that rate if the provider charges private-paying parents a fee that is equal to or greater than the rate. If a provider charges private-paying parents a fee that is below the maximum reimbursement rate, the state will reimburse the provider an amount equal to the private-pay fee. Reimbursement rates may vary by geographic region, age of the child, type of care, and other factors. Reimbursement rates affect the resources child care providers have to sustain their businesses, offer salaries high enough to attract and retain qualified staff, establish low child-staff ratios, maintain good facilities, and purchase materials and supplies for activities that encourage children's learning. Inadequate reimbursement rates deprive child care providers of the resources needed to offer high-quality care and may discourage high-quality providers from serving families who receive child care assistance.

States are required to survey child care providers' market rates every two years, but are not required to set their rates at any particular level or update their rates regularly. Federal regulations recommend, but do not mandate, that rates be set at the 75th percentile of current market rates,<sup>44</sup> a rate that is designed to allow families access to 75 percent of the providers in their communities. In 2012, just one state set its reimbursement rates at the 75th percentile of current market rates, slightly lower than the three states in 2011, and a sharp decline from 2001, when over two-fifths of the states set their reimbursement rates at this recommended level.<sup>45</sup> In 2012, many states' reimbursement rates were substantially below the 75th percentile of current market rates. In addition, less than one-fifth of the states had updated their reimbursement rates in the previous two years. When reimbursement rates are not regularly updated, they increasingly lag behind the 75th percentile of current market rates.

**In 2012, just one state set its reimbursement rates at the 75th percentile of current market rates, a sharp decline from 2001, when over two-fifths of the states set their reimbursement rates at this recommended level.**

When the reimbursement rate falls short of the fee a child care provider charges private-paying parents, over three-quarters of the states allow child care providers to ask parents receiving child care assistance to cover the difference (beyond any required copayment). Although this approach may help child care providers avoid lost income, it shifts the financial burden to families whose low income makes it hard for them to afford the additional charge.

- Only one state set its reimbursement rates at the 75th percentile of current market rates (rates from 2010 or 2011) in 2012 (see *Table 4a*). This was lower than the number of states—three—that set their reimbursement rates at this level in 2011 (see *Table 4b*). It was also significantly lower than the number of states—twenty-two—that set their reimbursement rates at this level in 2001.
- Three states reduced their reimbursement rates between 2010 and 2012.<sup>46</sup> Only nine states increased at least some of their reimbursement rates between 2010 and 2012.<sup>47</sup> The remaining thirty-nine states did not update their reimbursement rates between 2010 and 2012. All states except one updated their reimbursement rates between 2001 and 2012.
- In twenty-eight states, reimbursement rates for center-based care for a four-year-old in 2012 were at least 20 percent below the 75th percentile of market rates (based on the state's most recent market survey) for this type of care (see *Table 4c*).<sup>48</sup>

- In twenty-six states, reimbursement rates for center-based care for a one-year-old in 2012 were at least 20 percent below the 75th percentile of market rates (based on the state's most recent market survey) for this type of care.<sup>49</sup>
- Thirty-nine states allowed child care providers to charge parents receiving child care assistance the difference between the reimbursement rate and the fee that the provider charged private-paying parents if the reimbursement rate was lower in 2012—the same number of states as in 2011.<sup>50</sup>

Thirty-two states had higher reimbursement rates (tiered rates) for child care providers that met higher-quality standards in 2012, a slight increase from thirty-one states in 2011.<sup>51</sup> Some states had a single higher reimbursement rate; other states had progressively higher reimbursement rates for progressively higher levels of quality. Tiered reimbursement rates can offer child care providers encouragement and resources to improve the quality of their care. However, a small rate differential may not be sufficient to cover the additional costs of meeting the criteria required to qualify for a higher rate, such as costs for additional staff in order to reduce child-staff ratios, recruiting and retaining staff with advanced education in early childhood development, training staff, upgrading facilities, and/or purchasing equipment and materials. Yet, in nearly four-fifths of states with tiered rates, the highest rate fell below the 75th percentile of current market rates. In slightly over half of the states with tiered rates, the highest reimbursement rate was also less than 20 percent above the basic rate.

- Thirty-two states paid higher reimbursement rates for higher-quality care in 2012, slightly greater than the number of states—thirty-one—in 2011 (see *Table 4d*).<sup>52</sup>
- Fourteen of the thirty-two states with tiered rates in 2012 had two rate levels (including the base level),<sup>53</sup> two states had three levels, eight states had four levels, six states had five levels, and two states had six levels.
- In approximately four-fifths of the thirty-two states with tiered rates in 2012, the reimbursement rate for center-based care for a four-year-old at the highest quality level was still below the 75th percentile of current market rates (which includes providers at all levels of quality) for this type of care.
- ▶ In twenty-five of the thirty-two states, the reimbursement rate at the highest quality level was below the 75th percentile of current market rates.<sup>54</sup> This includes nine states in which the reimbursement rate at the highest quality level was more than 20 percent below the 75th percentile.
- ▶ In two of the thirty-two states, the reimbursement rate at the highest quality level was equal, or nearly equal, to the 75th percentile of current market rates.
- ▶ In five of the thirty-two states, the reimbursement rate at the highest quality level was above the 75th percentile of current market rates. This includes three states in which the reimbursement rate at the highest quality level was at least 10 percent above the 75th percentile.
- 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 2012. There was no consistent relationship between the percentage difference and whether the highest rate was below or above the 75th percentile of current market rates.
- ▶ In six of the thirty-two states, the highest rate was 5 percent to 9 percent greater than the lowest rate. In five of these six states, the highest rate was below the 75th percentile of current market rates.
- ▶ In eleven of the thirty-two states, the highest rate was 10 percent to 19 percent greater than the lowest rate. In eight of these eleven states, the highest rate was below the 75th percentile of current market rates.
- ▶ In seven of the thirty-two states, the highest rate was 20 percent to 29 percent greater than the lowest rate. In six of these seven states, the highest rate was below the 75th percentile of current market rates.
- ▶ In eight of the thirty-two states, the highest rate was at least 30 percent greater than the lowest rate. In six of these eight states, the highest rate was below the 75th percentile of current market rates.
- Two states reduced the amount of the differential between their lowest and highest tiers between 2011 and 2012.



# eligibility for families with parents searching for a job

**CHILD CARE ASSISTANCE CAN HELP PARENTS** get or keep the child care they need to find employment, both initially and when they have lost a job. If parents already have child care when they find a job, they are able to start work as soon as possible. If parents can keep their child care when they lose a job and must find another, they can help provide their children with some stability and avoid additional disruptions in their lives.

## All but five states allowed families receiving child care assistance to continue receiving it for at least some amount of time while a parent searched for a job in 2012.

All but five states allowed families receiving child care assistance to continue receiving it for at least some amount of time while a parent searched for a job in 2012, the same as in 2011. But less than one-third of the states (sixteen) allowed families to qualify for and begin receiving child care assistance while a parent searched for a job in 2012, slightly lower than the number of states (seventeen) in 2011.<sup>55</sup> Among states setting a limit by the number of days, weeks, or months, the amount of time families could continue receiving or qualify for and begin receiving child care assistance while a parent searched for a job ranged from two weeks to thirteen weeks in 2012. Two states reduced the length of time families could continue receiving child care assistance while a parent searched for a job between 2011 and 2012, and one of these states also reduced the length of time families could qualify for and begin

receiving child care assistance while a parent searched for a job between 2011 and 2012.<sup>56</sup>

- Forty-six states allowed families receiving child care assistance to continue receiving it while a parent searched for a job in 2012, the same number of states as in 2011 (see Table 5).
- ▶ Four states allowed families to continue receiving child care assistance until the end of the month in which the parent lost his or her job, and one state allowed families to continue receiving child care assistance until the end of the month following the month in which the parent lost his or her job in 2012. In these states, the amount of time a parent had to search for a new job depended on when during the month s/he lost a job.
- ▶ Three states allowed families to continue receiving child care assistance while a parent searched for a job for up to a certain number of hours, including one state for up to 80 hours, one state for up to 150 hours, and one state for up to 240 hours in 2012.
- ▶ One state allowed families to continue receiving child care assistance while a parent searched for a job for up to two weeks in 2012.
- ▶ One state allowed families to continue receiving child care assistance while a parent searched for a job for up to twenty-one days in 2012.
- ▶ Twenty states allowed families to continue receiving child care assistance while a parent searched for a job for up to either thirty days or four weeks in 2012, including one state that reduced the length of time from 180 days, and one state that reduced the length of time from ninety days, in 2011.

- ▶ Three states allowed families to continue receiving child care assistance while a parent searched for a job for up to either forty days, forty-five days, or fifty-six days in 2012.
- ▶ Nine states allowed families to continue receiving child care assistance while a parent searched for a job for up to either sixty days, eight weeks, or two months in 2012.
- ▶ Four states allowed families to continue receiving child care assistance while a parent searched for a job for up to either ninety days, thirteen weeks, or three months in 2012.
- Five states did not allow families receiving child care assistance to continue receiving it while a parent searched for a job in 2012, the same number as in 2011.
- Sixteen states allowed families not receiving child care assistance to qualify for assistance while a parent searched for a job in 2012, one less state than in 2011.
  - ▶ Three states allowed families to receive child care assistance while a parent searched for a job for up to a certain number of hours, including one state for up to 80 hours, one state for up to 150 hours, and one state for up to 240 hours in 2012.
- ▶ One state allowed families to receive child care assistance while a parent searched for a job for up to two weeks in 2012.
- ▶ Five states allowed families to receive child care assistance while a parent searched for a job for up to thirty days in 2012, including one state that reduced the length of time from 180 days in 2011.
- ▶ Two states allowed families to receive child care assistance while a parent searched for a job for up to either forty days or forty-five days in 2012.
- ▶ Five states allowed families to receive child care assistance while a parent searched for a job for up to either sixty days, eight weeks, or two months in 2012.
- One state permitted localities to allow families not receiving child care assistance to qualify for assistance while a parent searched for a job for up to six months (if funds were available) in 2012, the same as in 2011.
- Thirty-four states did not allow families not receiving child care assistance to qualify for assistance while a parent searched for a job in 2012, one more state than in 2011.

# conclusion

**FAMILIES LOST GROUND** under one or more key child care assistance policies in the majority of states between February 2011 and February 2012. Both these cutbacks and cutbacks between February 2010 and February 2011, following a decade which saw little if any improvement in state policies, have left many families behind where they were in 2001. As a result, many families do not have the child care they need to help children learn and grow and help parents work and support their families, all of which are essential to our nation's current and future prosperity.

# endnotes

- 1 Research demonstrates the important role that high-quality child care plays in giving children a strong start. Suzanne Helburn, Mary L. Culkin, Carollee Howes, Donna Bryant, Richard Clifford, Debby Cryer, Ellen Peisner-Feinberg, and Sharon Lynn Kagan, *Cost, Quality, and Child Outcomes in Child Care Centers* (Denver, CO: University of Colorado, 1995); Ellen S. Peisner-Feinberg, Richard M. Clifford, Mary L. Culkin, Carollee Howes, Sharon Lynn Kagan, et al., *The Children of the Cost, Quality, and Outcomes Study Go to School* (Chapel Hill, NC: University of North Carolina, Frank Porter Graham Child Development Center, 1999); Eric Dearing, Kathleen McCartney, and Beck A. Taylor, *Does Higher Quality Early Child Care Promote Low-Income Children's Math and Reading Achievement in Middle Childhood?*, *Child Development*, 80 (5), 2009, 1329-1349; National Research Council and the Institute of Medicine, *From Neurons to Neighborhoods: The Science of Early Childhood Development* (Washington, DC: National Academy Press, 2000).
- 2 The number of families with children under age six that have incomes under 200 percent of poverty has increased from 7.64 million in 2010 to 7.88 million in 2011 (the most recent year for which data are available). U.S. Census Bureau, *Current Population Survey, 2011 Annual Social and Economic Supplement, Detailed Table POV08: Families With Related Children Under 6 by Number of Working Family Members and Family Structure: 2010*, available at [http://www.census.gov/hhes/www/cpstables/032011/pov/new08\\_200\\_01.htm](http://www.census.gov/hhes/www/cpstables/032011/pov/new08_200_01.htm); U.S. Census Bureau, *Current Population Survey, 2012 Annual Social and Economic Supplement, Detailed Table POV08: Families With Related Children Under 6 by Number of Working Family Members and Family Structure: 2011*, available at [http://www.census.gov/hhes/www/cpstables/032012/pov/POV08\\_000.htm](http://www.census.gov/hhes/www/cpstables/032012/pov/POV08_000.htm).
- 3 National Association of Child Care Resource and Referral Agencies, *Parents and the High Cost of Child Care: 2012 Report* (Washington, DC: NACCRRA, 2012), 7, available at [http://www.naccrra.org/sites/default/files/default\\_site\\_pages/2012/cost\\_report\\_2012\\_final\\_081012\\_0.pdf](http://www.naccrra.org/sites/default/files/default_site_pages/2012/cost_report_2012_final_081012_0.pdf).
- 4 These counts include six states in which families were worse off under some policies and better off under others.
- 5 Families were considered worse off under the child care assistance policies between 2011 and 2012 if during that time period the state reduced its income eligibility limit to qualify for child care assistance as a dollar amount; implemented a waiting list, increased its waiting list or froze intake; increased parent copayments for families at 100 percent of poverty and/or 150 percent of poverty as a percentage of income; reduced provider reimbursement rates as a dollar amount or stopped reimbursing providers at the federally recommended level, the 75th percentile of current market rates; reduced reimbursement rate differentials for higher-quality care; and/or reduced the length of time families could receive child care assistance while a parent searched for a job or stopped allowing families to qualify for or continue receiving child care assistance while a parent searched for a job. Families were considered better off under state child care assistance policies between 2011 and 2012 if during that time period the state increased its income eligibility limit to qualify for child care assistance by an amount that exceeded an annual inflation adjustment; reduced its waiting list, served all families on the waiting list, or unfroze intake; reduced parent copayments for families at 100 percent of poverty and/or 150 percent of poverty as a percentage of income; increased provider reimbursement rates as a dollar amount; increased or began implementing reimbursement rate differentials for higher-quality care; and/or increased the amount of time families could receive child care assistance while a parent searched for a job or started allowing families to qualify for or continue receiving child care assistance while a parent searched for a job.
- 6 Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2011: Reduced Support for Families in Challenging Times* (Washington, DC: National Women's Law Center, 2011) (hereinafter *State Child Care Assistance Policies 2011*), available at [http://www.nwlc.org/sites/default/files/pdfs/state\\_child\\_care\\_assistance\\_policies\\_report2011\\_final.pdf](http://www.nwlc.org/sites/default/files/pdfs/state_child_care_assistance_policies_report2011_final.pdf).
- 7 American Recovery and Reinvestment Act, Pub. L. No. 111-8, 123 Stat. 524 (2009).
- 8 Program Instruction (CCDF-ACF-PI-2009-03), Issued April 9, 2009, available at [http://www.acf.hhs.gov/sites/default/files/occ/pi2009\\_03.pdf](http://www.acf.hhs.gov/sites/default/files/occ/pi2009_03.pdf).
- 9 This report uses 2001 policies as the basis for comparison because, until 2010, it was the year between the peak year for Child Care and Development Block Grant (CCDBG) funding, 2002, and the peak year for Temporary Assistance for Needy Families (TANF) funding used for child care, 2000. See section on funding for child care assistance.
- 10 The federal poverty level for a family of three was \$19,090 in 2012. U.S. Department of Health and Human Services, *2012 HHS Poverty Guidelines*, available at <http://aspe.hhs.gov/poverty/12poverty.shtml>. The federal poverty level for a family of three was \$18,530 in 2011. U.S. Department of Health and Human Services, *The 2011 HHS Poverty Guidelines*, available at <http://aspe.hhs.gov/poverty/11poverty.shtml>.
- 11 The federal poverty level for a family of three was \$14,630 in 2001. U.S. Department of Health and Human Services, *The 2001 HHS Poverty Guidelines*, available at <http://aspe.hhs.gov/poverty/01poverty.htm>.
- 12 Comparable data were not collected for 2001.
- 13 These counts include two states that made both improvements in some policies and cutbacks in others.
- 14 Phil Oliff, Chris Mai, and Vincent Palacios, *States Continue to Feel Recession's Impact* (Updated June 27, 2012) (Washington, DC: Center on Budget and Policy Priorities, 2012), available at <http://www.cbpp.org/cms/index.cfm?fa=view&id=711>. Thirty-one states had budget gaps totaling \$55 billion for fiscal year 2013, which began July 1, 2012. This total budget gap was smaller than that in any of the previous four years, but larger than that in two of the four years following the onset of the previous recession (2002 and 2005).
- 15 In addition, West Virginia, although maintaining its income eligibility limit to qualify for child care assistance at 150 percent of the 2012 federal poverty level (\$28,635 a year for a family of three), plans to no longer allow families with incomes above that limit to receive child care assistance, as of January 2013; currently, the state allows families with incomes up to 185 percent of the 2012 federal poverty level (\$35,317 a year for a family of three) who are already receiving child care assistance to continue receiving it. As discussed in endnote 17 below, this study focuses on the income criteria used to determine a family's eligibility when it applies for assistance, but information about states that allow families to continue to receive assistance up to a higher income level than the initial eligibility limit is provided in the notes to Tables 1a and 1b.
- 16 The new copayments went into effect as of August 2012 for families with incomes between 151 percent and 185 percent of poverty, as of September 2012 for families with incomes between 100 percent and 150 percent of poverty, and as of October 2012 for families with incomes below 100 percent of poverty.
- 17 This study focuses on the income criteria used to determine a family's eligibility when it first applies for assistance, because this traditionally has been used as the measure of access to benefit programs and determines whether a family can enter the program. However, some states allow families to continue to receive assistance up to a higher income level than the initial eligibility cutoff. Information about states that have different entrance and exit eligibility criteria is provided in the notes to Tables 1a and 1b.
- 18 U.S. Department of Health and Human Services, *Fiscal Year 2013 Budget in Brief* (Washington, DC: U.S. Department of Health and Human Services, 2012), 88, 92, available at <http://www.hhs.gov/budget/budget-brief-fy2013.pdf>. This amount includes \$2.278 billion in discretionary funding and \$2.917 billion in mandatory (entitlement) funding.

- 19 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, FY 2011 CCDF Allocations (Based on Appropriation), available at [http://www.acf.hhs.gov/sites/default/files/occ/est\\_fin\\_all\\_2011.pdf](http://www.acf.hhs.gov/sites/default/files/occ/est_fin_all_2011.pdf). This amount includes \$2.223 billion in discretionary funding and \$2.917 billion in mandatory (entitlement) funding.
- 20 Email from Hannah Matthews, CLASP, to Karen Schulman, National Women's Law Center, September 14, 2012. Inflation adjustment by CLASP based on the Employment Cost Index (ECI) and Consumer Price Index (CPI) for FY 2001-2011 provided to CLASP by the Congressional Budget Office (CBO), and on CBO economic projections for the ECI and CPI in FY 2012, Congressional Budget Office, The Budget and Economic Outlook: Fiscal Years 2012 to 2022 (August 2012) (Washington, DC: Congressional Budget Office, 2012).
- 21 U.S. Department of Health and Human Services, Fiscal Year 2011 Budget in Brief (Washington, DC: U.S. Department of Health and Human Services, 2010), 75, 79, available at <http://dhhs.gov/asfr/ob/docbudget/2011budgetinbrief.pdf>. In addition to the \$1 billion in ARRA funding, this total of \$6.044 billion in CCDBG funding includes \$2.127 billion in discretionary funding and \$2.917 billion in mandatory (entitlement) funding.
- 22 Email from Hannah Matthews, CLASP, to Karen Schulman, National Women's Law Center, September 14, 2012. Inflation adjustment by CLASP based on the Employment Cost Index (ECI) and Consumer Price Index (CPI) for FY 2001-2011 provided to CLASP by the Congressional Budget Office (CBO), and on CBO economic projections for the ECI and CPI in FY 2012, Congressional Budget Office, The Budget and Economic Outlook: Fiscal Years 2012 to 2022 (August 2012) (Washington, DC: Congressional Budget Office, 2012).
- 23 CCDBG funding in FY 2002, before adjusting for inflation, was \$4.817 billion. This amount includes \$2.1 billion in discretionary funding and \$2.717 billion in mandatory (entitlement) funding. U.S. Department of Health and Human Services, FY 2003 President's Budget for HHS (Washington, DC: U.S. Department of Health and Human Services, 2002), 83, 92, available at <http://www.hhs.gov/budget/pdf/hhs2003bib.pdf>. Inflation adjustment provided in email from Hannah Matthews, CLASP, to Karen Schulman, National Women's Law Center, September 14, 2012. Inflation adjustment by CLASP based on the Employment Cost Index (ECI) and Consumer Price Index (CPI) for FY 2001-2011 provided to CLASP by the Congressional Budget Office (CBO), and on CBO economic projections for the ECI and CPI in FY 2012, Congressional Budget Office, The Budget and Economic Outlook: Fiscal Years 2012 to 2022 (August 2012) (Washington, DC: Congressional Budget Office, 2012).
- 24 National Women's Law Center analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2011 TANF Financial Data, Table A.1.: Federal TANF and State MOE Expenditures Summary by ACF-196 Spending Category, FY 2011, available at <http://www.acf.hhs.gov/programs/ofa/resource/fy-2011-tanf-financial-data>. Total includes \$1.565 billion transferred to CCDBG, \$268 million spent on child care categorized as "assistance," and \$1.084 billion spent on child care categorized as "non-assistance."
- 25 National Women's Law Center analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2000 TANF Financial Data, Table A. Combined Federal Funds Spent in FY 2000 Through the Fourth Quarter, available at [http://archive.acf.hhs.gov/programs/ofs/data/tanf\\_2000.html](http://archive.acf.hhs.gov/programs/ofs/data/tanf_2000.html). Total includes \$2.413 billion transferred to CCDBG, \$353 million spent on child care categorized as "assistance," and \$1.200 billion spent on child care categorized as "non-assistance."
- 26 Email from Hannah Matthews, CLASP, to Karen Schulman, National Women's Law Center, September 14, 2012. Inflation adjustment by CLASP based on the Employment Cost Index (ECI) and Consumer Price Index (CPI) for FY 2001-2011 provided to CLASP by the Congressional Budget Office (CBO), and on CBO economic projections for the ECI and CPI in FY 2012, Congressional Budget Office, The Budget and Economic Outlook: Fiscal Years 2012 to 2022 (August 2012) (Washington, DC: Congressional Budget Office, 2012).
- 27 In FY 2001, CCDBG funding was \$4.567 billion (\$5.967 billion in FY 2012 dollars) and TANF funding used for child care was \$3.541 billion (\$4.627 billion in FY 2012 dollars). The CCDBG funding amount includes \$2.0 billion in discretionary funding and \$2.567 billion in mandatory (entitlement) funding. U.S. Department of Health and Human Services, FY 2002 President's Budget for HHS (Washington, DC: U.S. Department of Health and Human Services, 2001), 89-90, available at <http://archive.hhs.gov/budget/pdf/hhs2002.pdf>. The TANF funding amount includes \$1.899 billion transferred to CCDBG, \$285 million spent on child care categorized as "assistance," and \$1.357 billion spent on child care categorized as "non-assistance." National Women's Law Center analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2001 TANF Financial Data, Table A. Combined Federal Funds Spent in FY 2001 Through the Fourth Quarter, available at [http://archive.acf.hhs.gov/programs/ofs/data/tanf\\_2001.html](http://archive.acf.hhs.gov/programs/ofs/data/tanf_2001.html). CCDBG and TANF amounts in FY 2012 dollars provided in email from Hannah Matthews, CLASP, to Karen Schulman, National Women's Law Center, September 14, 2012. Inflation adjustment by CLASP based on the Employment Cost Index (ECI) and Consumer Price Index (CPI) for FY 2001-2011 provided to CLASP by the Congressional Budget Office (CBO), and on CBO economic projections for the ECI and CPI in FY 2012, Congressional Budget Office, The Budget and Economic Outlook: Fiscal Years 2012 to 2022 (August 2012) (Washington, DC: Congressional Budget Office, 2012).
- 28 In states that allow localities to set their income limits within a state-specified range, the maximum of that range was used for the analysis in this section.
- 29 State median income is not used to measure inflation between 2001 and 2012 because variations among states in state median income adjustments and in which benchmark states use to set their income eligibility limits are more difficult to track than changes in the federal poverty level over a long-term period.
- 30 These twenty-eight states include two states (Oregon and Wisconsin) that set their income limits based on the federal poverty level and adjusted their income limits for the 2012 federal poverty level; nineteen states (Alabama, Arizona, Delaware, Florida, Indiana, Iowa, Kansas, Kentucky, Maine, Nebraska, New Hampshire, New Jersey, New Mexico, New York, Pennsylvania, Rhode Island, South Carolina, West Virginia, and Wyoming) that set their income limits based on the federal poverty level and adjusted their income limits for the 2011 federal poverty level; and seven states (Arkansas, Connecticut, Massachusetts, Nevada, North Dakota, Texas, and Utah) that set their income limits based on state median income and adjusted their income limits for the 2012 state median income between February 2011 and February 2012.
- 31 These two states include North Carolina, which sets its income limit based on state median income and adjusted its income limit from being set based on the 2008 state median income to being set based on the 2012 state median income, and Colorado, which sets the maximum level at which counties can set their income limits based on state median income and adjusted this maximum income limit from being set based on the 2009 state median income to being set based on the 2012 state median income.
- 32 These three states include Illinois, Ohio, and South Dakota.
- 33 These two states include California and Louisiana.
- 34 These two states include Minnesota and Tennessee.
- 35 These twenty states include five states in which the income limit decreased by six percentage points, three states in which the income limit decreased by five percentage points, two states in which the income limit stayed the same, five states in which the income limit increased by one percentage point, one state in which the income limit increased by two percentage points, three states in which the income limit increased by three percentage points, and one state in which the income limit increased by five percentage points as a percentage of poverty.
- 36 National Women's Law Center analysis of data from Economic Policy Institute, Basic Family Budget Spreadsheets (2007), available at [http://www.epi.org/pages/budget\\_calculator\\_intro/](http://www.epi.org/pages/budget_calculator_intro/); and from James Lin and Jared Bernstein, What We Need to Get By (Washington, DC: Economic Policy Institute, 2008), available at <http://www.epi.org/publications/entry/bp224/>; Sylvia Allegretto, Basic Family Budgets: Working Families' Incomes Often Fail to Meet Living Expenses Around the U.S. (Washington, DC: Economic Policy Institute, 2005), available at <http://www.epi.org/page/-/old/briefingpapers/165/bp165.pdf>.

- 37 See, e.g., Karen Schulman and Helen Blank, *In Their Own Voices: Parents and Providers Struggling with Child Care Cuts* (Washington, DC: National Women's Law Center, 2005), 10; Children's Action Alliance, *The Real Reality of Arizona's Working Families—Child Care Survey Highlights* (Phoenix, AZ: Children's Action Alliance, 2004); Deborah Schlick, Mary Daly, and Lee Bradford, *Faces on the Waiting List: Waiting for Child Care Assistance in Ramsey County* (Ramsey County, MN: Ramsey County Human Services, 1999) (Survey conducted by the Minnesota Center for Survey Research at the University of Minnesota); Philip Coltoff, Myrna Torres, and Natasha Lifton, *The Human Cost of Waiting for Child Care: A Study* (New York, NY: Children's Aid Society, 1999); Jennifer Gulley and Ann Hilbig, *Waiting List Survey: Gulf Coast Workforce Development Area* (Houston, TX: Neighborhood Centers, Inc., 1999); Jeffrey D. Lyons, Susan D. Russell, Christina Gilgor, and Amy H. Staples, *Child Care Subsidy: The Costs of Waiting* (Chapel Hill, NC: Day Care Services Association, 1998); Casey Cooney and Tamsin Levy, *Waiting for Child Care: How Do Parents Adjust to Scarce Options in Santa Clara County?* (Berkeley, CA: Policy Analysis for California Education, 1998); Philadelphia Citizens for Children and Youth, et al., *Use of Subsidized Child Care by Philadelphia Families* (Philadelphia, PA: Philadelphia Citizens for Children and Youth, 1997); Greater Minneapolis Day Care Association, *Valuing Families: The High Cost of Waiting for Child Care Sliding Fee Assistance* (Minneapolis, MN: Greater Minneapolis Day Care Association, 1995).
- 38 Waiting lists are not a perfect measure of unmet need, however. For example, waiting lists may increase due to expanded outreach efforts that make more families aware of child care assistance programs, and may decrease due to a state's adoption of more restrictive eligibility criteria.
- 39 If a state determines its copayment based on the cost of care, this study assumes that the family had a four-year-old in a licensed, non-accredited center charging the state's maximum reimbursement rate.
- 40 U.S. Census Bureau, *Who's Minding the Kids? Child Care Arrangements: Spring 2010, Detailed Tables, Table 6: Average Weekly Child Care Expenditures of Families with Employed Mothers that Make Payments, by Age Groups and Selected Characteristics: Spring 2010 (2011)*, available at <http://www.census.gov/hhes/childcare/data/sipp/2010/tables.html>.
- 41 For a family of three, 150 percent of the federal poverty level was equal to an income of \$27,795 in 2011 and \$28,635 in 2012.
- 42 These eight states do not include six states that had income eligibility limits to initially qualify for assistance below 150 percent of poverty but allowed families already receiving assistance to remain eligible with incomes above 150 percent of poverty in 2012.
- 43 For a family of three, 150 percent of the federal poverty level was equal to an income of \$21,945 in 2001.
- 44 Child Care and Development Fund (Preamble to Final Rule), 63 Fed. Reg. 142 (July 24, 1998), available at <http://www.gpo.gov/fdsys/pkg/FR-1998-07-24/pdf/98-19418.pdf>.
- 45 For this analysis, a state's reimbursement rates in a given year are considered up-to-date if based on a market survey conducted no more than two years prior to that year. Also note that for this analysis, a state's reimbursement rates are not considered to be at the 75th percentile of market rates if only some of its rates—for example, for certain regions, age groups, or higher-quality care—are at the 75th percentile.
- 46 These three states include Minnesota and Ohio as well as Colorado, where reimbursement rates are set by counties, some of which reduced rates.
- 47 These nine states include Alaska, Delaware, Illinois, Maine, Nebraska, New Hampshire, New York, North Dakota, and Texas. Nebraska is included because it increased rates for many categories of care, although not the particular categories in the particular counties shown in Table 4c. New York is included because it updated its rates from the 75th percentile of 2009 rates to the 75th percentile of 2011 rates; while rates for center-based infant care in New York City were adjusted downward based on the updated market rates, all other rates remained the same or increased. Texas is included because it reported that ten of its twenty-eight localities—which determine when to update rates—had updated at least some of their rates within the past two years. The nine states do not include New Mexico, which reduced its reimbursement rates in 2010 and then restored the rates to previous levels in January 2012; Florida, which did not report that any of its localities—which determine when to update rates—had increased their rates within the past two years; Hawaii, which only updated its rates for license-exempt care in 2010; or Maryland or Vermont, which increased their rates in January 2010 and whose increased rates were reflected in the National Women's Law Center's report, *State Child Care Assistance Policies 2010: New Federal Funds Help States Weather the Storm* (hereinafter *State Child Care Assistance Policies 2010*). Differences in any other states between rates shown in Table 4c of this report and rates shown in Table 4c of the *State Child Care Assistance Policies 2010* and 2011 reports are due to revisions or recalculations of the data or changes in the category for which data are reported rather than policy changes.
- 48 States were asked to report data from their most recent market rate survey, and most states reported data from 2010 or more recent surveys. However, California reported data from 2009. It is not included in the twenty-eight states because its reimbursement rate was less than 20 percent below the 75th percentile of market rates based on its outdated survey, and thus it is not possible to calculate whether its reimbursement rate was 20 percent or more below the 75th percentile of current market rates.
- 49 California is not included in the twenty-six states because its reimbursement rate was less than 20 percent below the 75th percentile of market rates based on its outdated survey, and thus it is not possible to calculate whether its reimbursement rate was 20 percent or more below the 75th percentile of current market rates.
- 50 Comparable data were not collected for 2001. However, comparable data were collected for 2000 and 2005. In each of these years, thirty-seven states permitted child care providers to charge parents the difference between the state reimbursement rate and the provider's private fee. Karen Schulman and Helen Blank, *Child Care Assistance Policies 2005: States Fail to Make Up Lost Ground, Families Continue to Lack Critical Supports* (Washington, DC: National Women's Law Center, 2005), 5 and 18; Karen Schulman, Helen Blank, and Danielle Ewen, *A Fragile Foundation: State Child Care Assistance Policies* (Washington, DC: Children's Defense Fund, 2001), 103.
- 51 This analysis is based on tiered rates in each state's most populous city, county, or region. Within each state, the use and structure of tiered rates may vary across cities, counties, or regions.
- 52 Comparable data on tiered rates were not collected for 2001.
- 53 These fourteen states include Nevada, which plans to have four tier levels, but so far has only implemented Tier 1 and Tier 4.
- 54 These twenty-five states include New Mexico and North Carolina, which determined a separate 75th percentile of current market rates for child care providers at each quality level. In both states, the reimbursement rate at the highest quality level was lower than even the 75th percentile for the lowest-priced level.
- 55 This analysis is based on policies for families not connected to the TANF program. Additional states allowed families receiving or transitioning from TANF to qualify for child care assistance while a parent searched for a job.
- 56 Changes in policy are indicated in the notes for Table 5.



TABLE 1A: INCOME ELIGIBILITY LIMITS FOR A FAMILY OF THREE IN 2011 AND 2012

Income limit in 2012				Income limit in 2011			Change in income limit 2011 to 2012		
State	As annual dollar amount	As percent of poverty (\$19,090 a year)	As percent of state median income	As annual dollar amount	As percent of poverty (\$18,530 a year)	As percent of state median income	As annual dollar amount	As percent of poverty	As percent of state median income
Alabama*	\$24,084	126%	45%	\$23,808	128%	44%	\$276	-2%	1%
Alaska*	\$54,288	284%	75%	\$54,288	293%	77%	\$0	-9%	-2%
Arizona*	\$30,600	160%	53%	\$30,216	163%	51%	\$384	-3%	1%
Arkansas*	\$29,765	156%	63%	\$28,345	153%	60%	\$1,420	3%	3%
California*	\$42,216	221%	64%	\$45,228	244%	68%	-\$3,012	-23%	-4%
Colorado*	\$24,086-\$57,492	126%-301%	36%-85%	\$23,803-\$54,108	128%-292%	35%-80%	\$283-\$3,384	-2%-9%	0%-5%
Connecticut*	\$42,893	225%	50%	\$42,690	230%	50%	\$203	-6%	0%
Delaware	\$37,056	194%	53%	\$36,624	198%	52%	\$432	-4%	1%
District of Columbia*	\$45,775	240%	78%	\$45,775	247%	80%	\$0	-7%	-1%
Florida*	\$27,804	146%	49%	\$27,468	148%	47%	\$336	-3%	2%
Georgia	\$28,160	148%	49%	\$28,160	152%	48%	\$0	-4%	1%
Hawaii	\$47,124	247%	64%	\$47,124	254%	62%	\$0	-7%	2%
Idaho*	\$23,184	121%	44%	\$23,184	125%	43%	\$0	-4%	1%
Illinois*	\$34,284	180%	51%	\$36,624	198%	54%	-\$2,340	-18%	-3%
Indiana*	\$23,532	123%	40%	\$23,256	126%	39%	\$276	-2%	1%
Iowa*	\$26,880	141%	44%	\$26,556	143%	43%	\$324	-3%	1%
Kansas*	\$34,272	180%	57%	\$33,876	183%	55%	\$396	-3%	2%
Kentucky*	\$27,795	146%	52%	\$27,468	148%	51%	\$327	-3%	1%
Louisiana*	\$35,868	188%	65%	\$37,896	205%	69%	-\$2,028	-17%	-4%
Maine*	\$46,325	243%	81%	\$45,775	247%	79%	\$550	-4%	2%
Maryland	\$29,990	157%	35%	\$29,990	162%	35%	\$0	-5%	0%
Massachusetts*	\$42,025	220%	50%	\$41,396	223%	50%	\$629	-3%	0%
Michigan	\$23,880	125%	39%	\$23,880	129%	37%	\$0	-4%	1%
Minnesota*	\$33,992	178%	47%	\$34,348	185%	47%	-\$356	-7%	0%
Mississippi	\$34,999	183%	75%	\$34,999	189%	74%	\$0	-6%	1%
Missouri*	\$23,520	123%	40%	\$23,520	127%	40%	\$0	-4%	0%
Montana	\$27,468	144%	49%	\$27,468	148%	50%	\$0	-4%	0%
Nebraska*	\$22,248	117%	37%	\$21,972	119%	36%	\$276	-2%	2%
Nevada*	\$44,880	235%	75%	\$43,248	233%	72%	\$1,632	2%	3%
New Hampshire*	\$46,325	243%	60%	\$45,775	247%	58%	\$550	-4%	2%
New Jersey*	\$37,060	194%	43%	\$36,620	198%	43%	\$440	-3%	1%
New Mexico*	\$37,060	194%	81%	\$36,620	198%	79%	\$440	-3%	2%
New York*	\$37,060	194%	53%	\$36,620	198%	53%	\$440	-3%	0%
North Carolina	\$42,818	224%	75%	\$37,476	202%	66%	\$5,342	22%	9%
North Dakota	\$30,575	160%	49%	\$29,556	160%	48%	\$1,019	1%	1%
Ohio*	\$23,172	121%	38%	\$27,468	148%	44%	-\$4,296	-27%	-6%
Oklahoma*	\$35,100	184%	68%	\$35,100	189%	69%	\$0	-6%	-1%
Oregon	\$35,328	185%	58%	\$34,281	185%	57%	\$1,047	0%	1%
Pennsylvania*	\$37,060	194%	56%	\$36,620	198%	55%	\$440	-3%	1%
Rhode Island*	\$33,354	175%	45%	\$32,958	178%	46%	\$396	-3%	0%
South Carolina*	\$27,795	146%	52%	\$27,465	148%	50%	\$330	-3%	1%
South Dakota*	\$33,788	177%	59%	\$38,150	206%	66%	-\$4,363	-29%	-7%
Tennessee	\$31,992	168%	60%	\$32,352	175%	60%	-\$360	-7%	0%
Texas*	\$27,807-\$46,773	146%-245%	51%-85%	\$27,465-\$46,658	148%-252%	50%-85%	\$115-\$342	-7%- -3%	0%
Utah*	\$35,484	186%	60%	\$35,244	190%	60%	\$240	-4%	0%
Vermont	\$36,600	192%	58%	\$36,600	198%	59%	\$0	-6%	0%
Virginia*	\$27,468-\$45,780	144%-240%	38%-64%	\$27,468-\$45,780	148%-247%	39%-64%	\$0	-7%- -4%	0%
Washington*	\$32,424	170%	47%	\$32,424	175%	47%	\$0	-5%	0%
West Virginia*	\$27,792	146%	56%	\$27,468	148%	56%	\$324	-3%	1%
Wisconsin*	\$35,316	185%	54%	\$34,281	185%	52%	\$1,036	0%	2%
Wyoming*	\$44,088	231%	69%	\$43,596	235%	66%	\$492	-4%	3%

TABLE 1B: INCOME ELIGIBILITY LIMITS FOR A FAMILY OF THREE IN 2001 AND 2012

State	Income limit in 2012			Income limit in 2001			Change in income limit 2001 to 2012		
	As annual dollar amount	As percent of poverty (\$19,090 a year)	As percent of state median income	As annual dollar amount	As percent of poverty (\$14,630 a year)	As percent of state median income	As annual dollar amount	As percent of poverty	As percent of state median income
Alabama*	\$24,084	126%	45%	\$18,048	123%	41%	\$6,036	3%	4%
Alaska*	\$54,288	284%	75%	\$44,328	303%	75%	\$9,960	-19%	0%
Arizona*	\$30,600	160%	53%	\$23,364	160%	52%	\$7,236	1%	0%
Arkansas*	\$29,765	156%	63%	\$23,523	161%	60%	\$6,242	-5%	3%
California*	\$42,216	221%	64%	\$35,100	240%	66%	\$7,116	-19%	-2%
Colorado*	\$24,086-\$57,492	126%-301%	36%-85%	\$19,020-\$32,000	130%-219%	36%-61%	\$5,066-\$25,492	-4%-82%	0%-24%
Connecticut*	\$42,893	225%	50%	\$47,586	325%	75%	-\$4,693	-101%	-25%
Delaware	\$37,056	194%	53%	\$29,260	200%	53%	\$7,796	-6%	0%
District of Columbia*	\$45,775	240%	78%	\$34,700	237%	66%	\$11,075	3%	12%
Florida*	\$27,804	146%	49%	\$20,820	142%	45%	\$6,984	3%	4%
Georgia	\$28,160	148%	49%	\$24,278	166%	50%	\$3,882	-18%	-1%
Hawaii*	\$47,124	247%	64%	\$46,035	315%	83%	\$1,089	-68%	-18%
Idaho *	\$23,184	121%	44%	\$20,472	140%	51%	\$2,712	-18%	-7%
Illinois*	\$34,284	180%	51%	\$24,243	166%	43%	\$10,041	14%	7%
Indiana*	\$23,532	123%	40%	\$20,232	138%	41%	\$3,300	-15%	-1%
Iowa*	\$26,880	141%	44%	\$19,812	135%	41%	\$7,068	5%	3%
Kansas*	\$34,272	180%	57%	\$27,060	185%	56%	\$7,212	-5%	0%
Kentucky*	\$27,795	146%	52%	\$24,140	165%	55%	\$3,655	-19%	-3%
Louisiana*	\$35,868	188%	65%	\$29,040	205%	75%	\$6,828	-17%	-10%
Maine*	\$46,325	243%	81%	\$36,452	249%	75%	\$9,873	-6%	5%
Maryland	\$29,990	157%	35%	\$25,140	172%	40%	\$4,850	-15%	-5%
Massachusetts*	\$42,025	220%	50%	\$28,968	198%	48%	\$13,057	22%	2%
Michigan	\$23,880	125%	39%	\$26,064	178%	47%	-\$2,184	-53%	-9%
Minnesota*	\$33,992	178%	47%	\$42,304	289%	76%	-\$8,312	-111%	-29%
Mississippi	\$34,999	183%	75%	\$30,999	212%	77%	\$4,000	-29%	-2%
Missouri*	\$23,520	123%	40%	\$17,784	122%	37%	\$5,736	2%	3%
Montana	\$27,468	144%	49%	\$21,948	150%	51%	\$5,520	-6%	-2%
Nebraska*	\$22,248	117%	37%	\$25,260	173%	54%	-\$3,012	-56%	-17%
Nevada*	\$44,880	235%	75%	\$33,420	228%	67%	\$11,460	7%	8%
New Hampshire*	\$46,325	243%	60%	\$27,797	190%	50%	\$18,528	53%	10%
New Jersey*	\$37,060	194%	43%	\$29,260	200%	46%	\$7,800	-6%	-3%
New Mexico*	\$37,060	194%	81%	\$28,300	193%	75%	\$8,760	1%	6%
New York*	\$37,060	194%	53%	\$28,644	202%	61%	\$8,416	-8%	-8%
North Carolina	\$42,818	224%	75%	\$32,628	223%	69%	\$10,190	1%	6%
North Dakota	\$30,575	160%	49%	\$29,556	202%	69%	\$1,019	-42%	-20%
Ohio*	\$23,172	121%	38%	\$27,066	185%	57%	-\$3,894	-64%	-19%
Oklahoma*	\$35,100	184%	68%	\$29,040	198%	66%	\$6,060	-15%	1%
Oregon	\$35,328	185%	58%	\$27,060	185%	60%	\$8,268	0%	-1%
Pennsylvania*	\$37,060	194%	56%	\$29,260	200%	58%	\$7,800	-6%	-2%
Rhode Island*	\$33,354	175%	45%	\$32,918	225%	61%	\$436	-50%	-15%
South Carolina*	\$27,795	146%	52%	\$21,225	145%	45%	\$6,570	1%	6%
South Dakota*	\$33,788	177%	59%	\$22,826	156%	52%	\$10,962	21%	7%
Tennessee	\$31,992	168%	60%	\$24,324	166%	56%	\$7,668	1%	4%
Texas*	\$27,807-\$46,773	146%-245%	51%-85%	\$21,228-\$36,516	145%-250%	47%-82%	\$6,579-\$10,257	-5%-1%	3%-4%
Utah*	\$35,484	186%	60%	\$28,248	193%	59%	\$7,236	-7%	1%
Vermont	\$36,600	192%	58%	\$31,032	212%	64%	\$5,568	-20%	-6%
Virginia*	\$27,468-\$45,780	144%-240%	38%-64%	\$21,948-\$27,060	150%-185%	41%-50%	\$5,520-\$18,720	-6%-55%	-3%-14%
Washington*	\$32,424	170%	47%	\$32,916	225%	63%	-\$492	-55%	-15%
West Virginia*	\$27,792	146%	56%	\$28,296	193%	75%	-\$504	-48%	-18%
Wisconsin*	\$35,316	185%	54%	\$27,060	185%	51%	\$8,256	0%	3%
Wyoming*	\$44,088	231%	69%	\$21,948	150%	47%	\$22,140	81%	22%



## NOTES FOR TABLES 1A AND 1B: INCOME ELIGIBILITY LIMITS

*The income eligibility limits shown in the table represent the maximum income families can have when they apply for child care assistance. Some states allow families, once receiving assistance, to continue receiving assistance up to a higher income level than that initial limit. These higher exit eligibility limits are reported below for states that have them.*

*Changes in income limits were calculated using raw data, rather than the rounded numbers shown in the table.*

*Data in the tables for 2012 reflect policies as of February 2012, data in the tables for 2011 reflect policies as of February 2011, and data in the tables for 2001 reflect policies as of June 2001, unless otherwise indicated. Certain changes in policies since February 2012 are noted below.*

**Alabama:** In 2001, families already receiving assistance could continue doing so until their income reached \$27,756. In 2011, the exit eligibility limit was \$27,468, and in 2012, it was \$27,792.

**Alaska:** The Alaska Permanent Fund Dividend (PFD) payment, which the majority of families in the state receive, is not counted when determining eligibility.

**Arizona:** As of July 2012, the income limit was increased to \$31,512 (165 percent of poverty) to adjust for the 2012 federal poverty level.

**Arkansas:** The income limits shown in the table for 2001 and 2011 take into account a deduction of \$100 per month (\$1,200 a year) that was allowed for an adult household member who worked at least 30 hours per week. It is assumed there was one working parent. The stated income limits, in policy, were \$22,323 in 2001 and \$27,145 in 2011. The state no longer used the deduction in 2012.

**California:** Under policies in effect in 2001, families who had been receiving assistance as of January 1, 1998 could continue doing so until their income reached \$46,800 since they were subject to higher income guidelines previously in effect. Also note that two pilot counties (San Mateo and San Francisco) allowed families already receiving assistance to continue to receive it up to an income of \$54,096 in 2011 and \$63,768 in 2012.

**Colorado:** Counties set their income limits within state guidelines. Also note that counties may allow families already receiving assistance to continue doing so after their income exceeds the county's initial income limit for up to six months, if their income remains below 85 percent of state median income (\$54,108 in 2011 and \$57,492 in 2012).

**Connecticut:** In 2011, families already receiving assistance could continue doing so until their income reached \$64,035. In 2012, the exit eligibility limit was \$64,340. As of July 2012, the income limit to qualify for assistance was changed to \$42,829 (50 percent of state median income), and the exit eligibility limit was changed to \$64,243 (75 percent of state median income) to adjust for the 2012 state median income estimate.

**District of Columbia:** In 2001, families already receiving assistance could continue doing so until their income reached \$41,640. In 2011 and 2012, the exit eligibility limit was \$51,101.

**Florida:** In 2011, families already receiving assistance could continue doing so until their income reached \$36,620. In 2012, the exit eligibility limit was \$37,060.

**Hawaii:** In 2001, the state allowed a 20 percent deduction of all countable income in determining eligibility, which is taken into account in the figure shown here. The stated income limit, in policy, was \$36,828. The state no longer used the deduction in 2011 or 2012.

**Idaho:** As of July 2012, the income limit was increased to \$24,096 (130 percent of the 2011 federal poverty level).

**Illinois:** In 2001, the state allowed a 10 percent earned income deduction in determining eligibility, which is taken into account in the figure shown here. The stated income limit, in policy, was \$21,819. The state no longer used the deduction in 2011 or 2012. As of July 2012, the income limit was increased to \$35,328 (185 percent of poverty) to adjust for the 2012 federal poverty level.

**Indiana:** In 2011, families already receiving assistance could continue doing so until their income reached \$31,128. In 2012, the exit eligibility limit was \$31,500. As of May 2012, the income limit to qualify for assistance was increased to \$24,240 (127 percent of poverty), and the exit eligibility limit was increased to \$32,448 (170 percent of poverty) to adjust for the 2012 federal poverty level.

**Iowa:** For special needs care, the income limit was \$36,624 in 2011 and \$37,080 in 2012. As of July 2012, the income limit for standard care was increased to \$27,684 (145 percent of poverty), and the income limit for special needs care was increased to \$38,180 (200 percent of poverty) to adjust for the 2012 federal poverty level. Also note that in some areas of the state a separate ARRA-funded scholarship program in effect from July 2009 through June 2011 helped families with incomes between \$26,556 and \$33,874 pay for infant and toddler care offered by providers that were accredited by the National Association for the Education of Young Children (NAEYC) or the National Association for Family Child Care (NAFCC) or that had a rating of a level three or higher under the state's child care quality rating and improvement system.

**Kansas:** As of May 2012, the income limit was increased to \$35,316 (185 percent of poverty) to adjust for the 2012 federal poverty level.

**Kentucky:** In 2011, families already receiving assistance could continue doing so until their income reached \$30,216. In 2012, the exit eligibility limit was \$30,575.

**Louisiana:** As of August 2012, the income limit was reduced to \$30,353 (55 percent of the 2011 state median income). Also note that data on the state's policies as of 2001 are not available, so data on policies as of March 15, 2000 are used instead.

**Maine:** As of April 2012, the income limit was increased to \$47,725 (250 percent of poverty) to adjust for the 2012 federal poverty level.

**Massachusetts:** In 2001, families already receiving assistance could continue doing so until their income reached \$49,248. In 2011, the exit eligibility limit was \$70,372, and in 2012, it was \$71,441. Also note that, for special needs care, the income limit to qualify for assistance was \$70,372 in 2011 and \$71,441 in 2012, and the exit eligibility limit was \$82,791 in 2011 and \$84,049 in 2012. As of July 2012, for standard care, the income limit to qualify for assistance was increased to \$42,096 (50 percent of state median income), and the exit eligibility limit was increased to \$71,568 (85 percent of state median income) to adjust for the updated state median income estimate.

**Minnesota:** In 2011, families already receiving assistance could continue doing so until their income reached \$48,964. In 2012, the exit eligibility limit was \$48,457. As of October 2012, the income limit to qualify for assistance was expected to change to \$33,786 (47 percent of state median income), and the exit eligibility limit was expected to change to \$48,163 (67 percent of state median income) to adjust for the updated state median income estimate.

**Missouri:** In 2011 and 2012, families already receiving assistance could continue doing so until their income reached \$25,740.

**Nebraska:** For families transitioning from TANF, the income limit was \$33,876 in 2011 and \$34,296 in 2012. As of July 2012, the income limit was increased to \$35,317 (185 percent of poverty) for families transitioning from TANF and to \$22,896 (120 percent of poverty) for all other families to adjust for the 2012 federal poverty level.

**Nevada:** As of October 2012, the income limit was expected to increase to \$45,336 (75 percent of state median income) to adjust for the updated state median income estimate.

**New Hampshire:** As of July 2012, the income limit was increased to \$47,725 (250 percent of poverty) to adjust for the 2012 federal poverty level.

**New Jersey:** In 2001, families already receiving assistance could continue doing so until their income reached \$36,575. In 2011, the exit eligibility limit was \$45,775, and in 2012, it was \$46,325.

**New Mexico:** As of April 2012, the income limit was increased to \$38,180 (200 percent of poverty) to adjust for the 2012 federal poverty level.

**New York:** A few small demonstration projects set the income limit at \$46,691 in 2011 and \$47,252 in 2012. Also note that data on the state's policies as of 2001 are not available, so data on policies as of March 15, 2000 are used instead. As of June 2012, the state's income limit was increased to \$38,180 (200 percent of poverty) to adjust for the 2012 federal poverty level.

**Ohio:** In 2011, families already receiving assistance could continue doing so until their income reached \$36,620. In 2012, the exit eligibility limit was \$37,080. The state did not have a separate exit eligibility limit in 2001. As of October 2012, the income limit to qualify for assistance was expected to increase to \$23,863 (125 percent of poverty) and the exit eligibility limit was expected to increase to \$38,180 (200 percent of poverty) to adjust for the 2012 federal poverty level.

**Oklahoma:** The income limit depends on how many children are in child care. The income limits shown in the table assume that the family had two children in subsidized care. The income limit for a family of three with only one child in subsidized care was \$29,100 in 2011 and 2012.

**Pennsylvania:** In 2001, families already receiving assistance could continue doing so until their income reached \$34,381. In 2011, the exit eligibility limit was \$43,029, and in 2012, it was \$43,546. As of May 2012, the income limit to qualify for assistance was increased to \$38,180 (200 percent of poverty), and the exit eligibility limit was increased to \$44,862 (235 percent of poverty) to adjust for the 2012 federal poverty level.

**Rhode Island:** As of April 2012, the income limit was increased to \$34,362 (180 percent of poverty) to adjust for the 2012 federal poverty level.

**South Carolina:** In 2001, families already receiving assistance could continue doing so until their income reached \$24,763. In 2011, the exit eligibility limit was \$32,043, and in 2012, it was \$32,428. As of October 2012, the income limit to qualify for assistance was expected to increase to \$28,635 (150 percent of poverty), and the exit eligibility limit was expected to increase to \$33,408 (175 percent of poverty) to adjust for the 2012 federal poverty level.

**South Dakota:** The income limits shown in the table take into account that the state disregards 4 percent of earned income in determining eligibility. The stated income limits, in policy, were \$21,913 in 2001, \$36,624 in 2011, and \$32,436 in 2012. As of March 2012, the stated income limit was increased to \$33,408 (175 percent of poverty) to adjust for the 2012 federal poverty level.

**Texas:** Local workforce development boards set their own income limits within state guidelines. Some local boards allow families an extended year of child care assistance up to a higher income than the initial eligibility limit; however, this exit eligibility limit cannot exceed 85 percent of state median income (\$46,658 in 2011 and \$46,773 in 2012). As of October 2012, the maximum income at which local boards can set their eligibility limits was expected to increase to \$47,190 (85 percent of state median income) to adjust for the 2012 state median income estimate.

**Utah:** The income limits shown in the table take into account a standard deduction of \$100 per month (\$1,200 a year) for each working parent, assuming there is one working parent in the family, and a standard deduction of \$100 per month (\$1,200 a year) for all families to help cover any medical expenses. The stated income limits, in policy, were \$25,848 in 2001, \$32,844 in 2011, and \$33,084 in 2012. Also note that in 2011, families already receiving assistance could remain eligible up to a stated income limit of \$41,052. In 2012, the stated exit eligibility limit was \$41,352. As of October 2012, the stated income limit to qualify for assistance was expected to change to \$32,016 (56 percent of state median income), and the stated exit eligibility limit was expected to change to \$40,020 (70 percent of state median income) to adjust for the 2012 state median income estimate. The stated income limit to qualify for special needs care was \$49,848 in 2011 and \$50,208 in 2012.

**Virginia:** The state has different income limits for different regions of the state. In 2001, the state had three separate regional income limits, which for a family of three were: \$21,948, \$23,400, and \$27,060. In 2011 and 2012, the state had four separate regional income limits: \$27,468, \$29,304, \$33,876, and \$45,780. As of October 2012, the income limits were expected to increase to \$28,644 (150 percent of poverty), \$30,552 (160 percent of poverty), \$35,328 (185 percent of poverty), and \$47,736 (250 percent of poverty) to adjust for the 2012 federal poverty level.

**Washington:** As of July 2012, the income limit was increased to \$38,184 (200 percent of the 2012 federal poverty level).

**West Virginia:** In 2011, families already receiving assistance could continue doing so until their income reached \$33,876. In 2012, the exit eligibility limit was \$34,284. As of August 2012, the income limit to qualify for assistance was increased to \$28,635 (150 percent of poverty), and the exit eligibility limit was increased to \$35,317 (185 percent of poverty) to adjust for the 2012 federal poverty level.

**Wisconsin:** In 2001, families already receiving assistance could continue doing so until their income reached \$29,256. In 2011, the exit eligibility limit was \$37,060 and in 2012, it was \$38,180.

**Wyoming:** The income limits shown in the table for 2011 and 2012 take into account a standard deduction of \$200 per month (\$2,400 a year) for each working parent, assuming there is one working parent in the family. The stated income limits, in policy, were \$41,196 in 2011 and \$41,688 in 2012. As of April 2012, the stated income limit was increased to \$42,948 (225 percent of poverty) to adjust for the 2012 federal poverty level. Also note that in 2001, families already receiving assistance could continue doing so until their income reached \$27,060. The state did not have a separate exit eligibility limit in 2011 or 2012.

TABLE 2: WAITING LISTS FOR CHILD CARE ASSISTANCE

State	Number of children or families on waiting lists as of early 2012	Number of children or families on waiting lists as of early 2011	Number of children or families on waiting lists as of December 2001
Alabama*	7,128 children	7,602 children	5,089 children
Alaska	No waiting list	No waiting list	588 children
Arizona*	7,661 children	4,626 children	No waiting list
Arkansas	14,000 children	14,000 children	8,000 children
California*	Waiting lists at local level	187,516 children	280,000 children (estimated)
Colorado*	677 children	5,205 children	Waiting lists at county level
Connecticut	No waiting list	No waiting list	No waiting list
Delaware	No waiting list	No waiting list	No waiting list
District of Columbia*	No waiting list	No waiting list	9,124 children
Florida	71,803 children	67,988 children	46,800 children
Georgia*	Frozen intake	Frozen intake	16,099 children
Hawaii	No waiting list	No waiting list	No waiting list
Idaho	No waiting list	No waiting list	No waiting list
Illinois	No waiting list	No waiting list	No waiting list
Indiana*	5,059 children	12,689 children	11,958 children
Iowa	No waiting list	No waiting list	No waiting list
Kansas	No waiting list	No waiting list	No waiting list
Kentucky	No waiting list	No waiting list	No waiting list
Louisiana	No waiting list	No waiting list	No waiting list
Maine*	Frozen intake	No waiting list	2,000 children
Maryland*	17,058 children	2,854 children	No waiting list
Massachusetts	31,260 children	19,451 children	18,000 children
Michigan	No waiting list	No waiting list	No waiting list
Minnesota*	7,490 families	4,572 families	4,735 children
Mississippi*	9,000 children	9,652 children	10,422 children
Missouri	No waiting list	No waiting list	No waiting list
Montana	No waiting list	No waiting list	Varies by resource and referral district
Nebraska	No waiting list	No waiting list	No waiting list
Nevada*	770 children	1,749 children	No waiting list
New Hampshire	No waiting list	No waiting list	No waiting list
New Jersey*	10,472 children	8,559 children	9,800 children
New Mexico*	6,614 children	5,092 children	No waiting list
New York*	Waiting lists at local level	Waiting lists at local level	Waiting lists at local level
North Carolina	42,378 children	46,749 children	25,363 children
North Dakota	No waiting list	No waiting list	No waiting list
Ohio	No waiting list	No waiting list	No waiting list
Oklahoma	No waiting list	No waiting list	No waiting list
Oregon*	6,300 children	No waiting list	No waiting list
Pennsylvania*	11,563 children	11,726 children	540 children
Rhode Island	No waiting list	No waiting list	No waiting list
South Carolina	No waiting list	No waiting list	No waiting list
South Dakota	No waiting list	No waiting list	No waiting list
Tennessee*	Frozen intake	Frozen intake	9,388 children (and frozen intake)
Texas*	17,161 children	22,845 children	36,799 children
Utah	No waiting list	No waiting list	No waiting list
Vermont	No waiting list	No waiting list	No waiting list
Virginia*	11,415 children	11,018 children	4,255 children
Washington*	No waiting list	3,455 families	No waiting list
West Virginia	No waiting list	No waiting list	No waiting list
Wisconsin	No waiting list	No waiting list	No waiting list
Wyoming	No waiting list	No waiting list	No waiting list

## NOTES FOR TABLE 2: WAITING LISTS FOR CHILD CARE ASSISTANCE

**Alabama:** Data for December 2001 are not available so data from November 2001 are used instead.

**Arizona:** The waiting list total for 2011 is from April 15, 2011.

**California:** The waiting list total for 2001 is an estimated figure. The waiting list total for 2011 is from June 2011. The state no longer has a centralized waiting list; most local contractors and some counties maintain waiting lists.

**Colorado:** Waiting lists are kept at the county level, rather than at the state level. Four counties had waiting lists in 2001, but data on the total number of children on waiting lists in counties that had them are not available. In addition, four counties had frozen intake in 2001. The waiting list totals for 2011 and 2012 are the totals of reported county waiting lists.

**District of Columbia:** The waiting list total for 2001 may include some children living in the wider metropolitan area that encompasses parts of Maryland and Virginia.

**Georgia:** The state froze intake as of May 2011 for all families other than priority groups, which include minor parents enrolled full time in school, grandparents over the age of 60 or receiving Supplemental Security Income (SSI) who are raising children under five, child protective services cases, TANF applicants and recipients, families transitioning from TANF, children with siblings receiving child care assistance, and children with special needs. Certain areas of the state were able to serve new families besides those in priority groups beginning in March 2012.

**Indiana:** In addition to the waiting list, some counties froze intake in 2001.

**Maine:** In February 2012, intake was frozen for families who applied for child care assistance. In March 2012, a waiting list was formally established and families who had applied during the freeze were placed on the waiting list in the order of their application. As of July 23, 2012, 568 children were on the waiting list.

**Maryland:** TANF families, families transitioning from TANF, families receiving SSI, and children with documented disabilities are not placed on the waiting list. As of early 2012, all other families were placed on the waiting list and no families on the waiting list had been served since it was implemented on February 28, 2011.

**Minnesota:** The waiting list total for 2011 is from March 2011. The waiting list total for 2012 is from December 2011.

**Mississippi:** The waiting list total for 2012 is an estimate. Also note that families receiving TANF or transitioning from TANF and children in foster, protective, or preventive services are exempt from the waiting list. In April 2012, the state also began serving children with special needs, children of deployed military members, and children of teen parents.

**Nevada:** As of January 1, 2012, no new applicants for child care assistance were served other than those families receiving TANF and families applying for foster care or child protective services placements.

**New Jersey:** Data for 2001 are not available, so data from March 2002 are used instead. The waiting list total for 2011 is from May 2011.

**New Mexico:** The waiting list total for 2011 is from March 2011. Families with incomes at or below 100 percent of poverty are not placed on the waiting list. In addition, families receiving or transitioning from TANF, teen parents, families with children who have special needs, homeless families, and children with siblings who are already receiving child care assistance are not placed on the waiting list.

**New York:** Waiting lists are kept at the local district level and statewide data are not available. Each local district also has the authority to freeze intake and stop adding names to its waiting list.

**Oregon:** A waiting list was implemented in October 2010, but in January 2011 the state began serving all families on the waiting list each month, and in March 2011 the state stopped placing families on the waiting list. The state had a waiting list again in February 2012, but the state was able to serve all of the families on the waiting list and deactivate it as of July 1, 2012.

**Pennsylvania:** The waiting list total for 2011 is from January 2011.

**Tennessee:** When the state reported its data in 2001, the state had frozen intake for families not in the TANF or Transitional Child Care programs. The waiting list total for 2001 represents the number of children on the waiting list when intake was closed. The state did not provide a similar number for 2011 or 2012, when intake was also frozen. TANF families, families transitioning from TANF, teen parents in high school, and children in foster care are exempt from the freeze.

**Texas:** Local workforce development boards maintain waiting lists. The totals in the table represent the aggregate number of children on waiting lists across all boards. In addition, some boards have frozen intake. Also note that the waiting list total for 2011 is from March 2011.

**Virginia:** Data for December 2001 are not available, so data from January 2001 are used instead. The waiting list total for 2012 is from July 2012.

**Washington:** The state implemented a waiting list effective March 1, 2011. The waiting list total for 2011 is from May 2011.

**TABLE 3A: PARENT COPAYMENTS FOR A FAMILY OF THREE  
WITH AN INCOME AT 150 PERCENT OF POVERTY AND ONE CHILD IN CARE**

	Monthly fee in 2012		Monthly fee in 2011		Monthly fee in 2001		Change 2011 to 2012		Change 2001 to 2012	
State	As a dollar amount	As a percent of income	As a dollar amount	As a percent of income	As a dollar amount	As a percent of income	In dollar amount	In percent of income	In dollar amount	In percent of income
Alabama	Not eligible	Not eligible	Not eligible	Not eligible	\$215	12%	N/A	N/A	N/A	N/A
Alaska	\$118	5%	\$115	5%	\$71	4%	\$3	0%	\$47	1%
Arizona	\$154	6%	\$152	7%	\$217	12%	\$2	0%	-\$63	-5%
Arkansas	\$365	15%	\$365	16%	\$224	12%	\$0	0%	\$141	3%
California	\$97	4%	\$87	4%	\$0	0%	\$11	0%	\$97	4%
Colorado	\$262	11%	\$259	11%	\$185	10%	\$3	0%	\$77	1%
Connecticut	\$143	6%	\$139	6%	\$110	6%	\$4	0%	\$33	0%
Delaware	\$264	11%	\$220	9%	\$159	9%	\$44	2%	\$105	2%
District of Columbia	\$102	4%	\$102	4%	\$91	5%	\$0	0%	\$11	-1%
Florida*	\$217	9%	\$173	7%	\$104	6%	\$43	2%	\$113	3%
Georgia	Not eligible	Not eligible	\$191	8%	\$139	8%	N/A	N/A	N/A	N/A
Hawaii	\$405	17%	\$405	17%	\$38	2%	\$0	-1%	\$367	15%
Idaho	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	N/A	N/A	N/A	N/A
Illinois	\$147	6%	\$85	4%	\$134	7%	\$62	2%	\$13	-1%
Indiana*	\$217	9%	\$208	9%	\$154	8%	\$9	0%	\$63	1%
Iowa*	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	N/A	N/A	N/A	N/A
Kansas	\$207	9%	\$207	9%	\$162	9%	\$0	0%	\$45	0%
Kentucky	\$260	11%	\$260	11%	\$177	10%	\$0	0%	\$83	1%
Louisiana*	\$227	10%	\$152	7%	\$114	6%	\$76	3%	\$113	3%
Maine	\$238	10%	\$231	10%	\$183	10%	\$7	0%	\$55	0%
Maryland*	\$313	13%	\$313	13%	\$236	13%	\$0	0%	\$77	0%
Massachusetts	\$195	8%	\$195	8%	\$160	9%	\$0	0%	\$35	-1%
Michigan	Not eligible	Not eligible	Not eligible	Not eligible	\$24	1%	N/A	N/A	N/A	N/A
Minnesota	\$77	3%	\$76	3%	\$53	3%	\$1	0%	\$24	0%
Mississippi*	\$163	7%	\$155	7%	\$105	6%	\$8	0%	\$58	1%
Missouri	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	N/A	N/A	N/A	N/A
Montana	Not eligible	Not eligible	Not eligible	Not eligible	\$256	14%	N/A	N/A	N/A	N/A
Nebraska*	Not eligible	Not eligible	Not eligible	Not eligible	\$129	7%	N/A	N/A	N/A	N/A
Nevada	\$199	8%	\$199	9%	\$281	15%	\$0	0%	-\$82	-7%
New Hampshire	\$322	13%	\$313	14%	\$2	0%	\$9	0%	\$320	13%
New Jersey	\$106	4%	\$106	5%	\$133	7%	\$0	0%	-\$27	-3%
New Mexico	\$164	7%	\$159	7%	\$115	6%	\$5	0%	\$49	1%
New York*	\$295	12%	\$276	12%	\$191	10%	\$19	0%	\$104	2%
North Carolina	\$237	10%	\$232	10%	\$159	9%	\$5	0%	\$78	1%
North Dakota	\$344	14%	\$344	15%	\$293	16%	\$0	0%	\$51	-2%
Ohio	\$210	9%	\$207	9%	\$88	5%	\$3	0%	\$122	4%
Oklahoma	\$189	8%	\$189	8%	\$146	8%	\$0	0%	\$43	0%
Oregon	\$368	15%	\$343	15%	\$319	17%	\$25	1%	\$49	-2%
Pennsylvania	\$221	9%	\$173	7%	\$152	8%	\$48	2%	\$69	1%
Rhode Island	\$191	8%	\$185	8%	\$19	1%	\$6	0%	\$172	7%
South Carolina	\$87	4%	\$87	4%	\$77	4%	\$0	0%	\$10	-1%
South Dakota	\$344	14%	\$334	14%	\$365	20%	\$10	0%	-\$21	-6%
Tennessee	\$169	7%	\$160	7%	\$112	6%	\$9	0%	\$57	1%
Texas*	\$119-\$310	5%-13%	\$116-\$301	5%-13%	\$165-\$256	9%-14%	\$3-\$9	0%	-\$46-\$54	-4%--1%
Utah	\$179	8%	\$172	7%	\$220	12%	\$7	0%	-\$41	-5%
Vermont	\$281	12%	\$224	10%	\$123	7%	\$56	2%	\$158	5%
Virginia	\$238	10%	\$231	10%	\$183	10%	\$7	0%	\$55	0%
Washington	\$197	8%	\$146	6%	\$87	5%	\$51	2%	\$110	3%
West Virginia	\$58	2%	\$54	2%	\$54	3%	\$4	0%	\$4	-1%
Wisconsin	\$224	9%	\$217	9%	\$160	9%	\$7	0%	\$64	1%
Wyoming	\$58	2%	\$39	2%	\$98	5%	\$19	1%	-\$40	-3%



**TABLE 3B: PARENT COPAYMENTS FOR A FAMILY OF THREE  
WITH AN INCOME AT 100 PERCENT OF POVERTY AND ONE CHILD IN CARE**

	Monthly fee in 2012		Monthly fee in 2011		Monthly fee in 2001		Change 2011 to 2012		Change 2001 to 2012	
State	As a dollar amount	As a percent of income	As a dollar amount	As a percent of income	As a dollar amount	As a percent of income	In dollar amount	In percent of income	In dollar amount	In percent of income
Alabama	\$67	4%	\$78	5%	\$65	5%	-\$11	-1%	\$2	-1%
Alaska	\$47	3%	\$45	3%	\$14	1%	\$2	0%	\$33	2%
Arizona	\$66	4%	\$65	4%	\$65	5%	\$1	0%	\$1	-1%
Arkansas	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%
California	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%
Colorado	\$159	10%	\$155	10%	\$113	9%	\$4	0%	\$46	1%
Connecticut	\$64	4%	\$62	4%	\$49	4%	\$2	0%	\$15	0%
Delaware	\$120	8%	\$100	7%	\$55	5%	\$20	1%	\$65	3%
District of Columbia	\$44	3%	\$44	3%	\$32	3%	\$0	0%	\$12	0%
Florida*	\$130	8%	\$106	7%	\$69	6%	\$24	1%	\$61	3%
Georgia	\$130	8%	\$130	8%	\$21	2%	\$0	0%	\$109	6%
Hawaii	\$203	13%	\$203	13%	\$0	0%	\$0	0%	\$203	13%
Idaho	\$177	11%	\$177	11%	\$65	5%	\$0	0%	\$112	6%
Illinois	\$59	4%	\$34	2%	\$65	5%	\$25	2%	-\$6	-2%
Indiana*	\$82	5%	\$77	5%	\$0	0%	\$5	0%	\$82	5%
Iowa*	\$20	1%	\$9	1%	\$22	2%	\$11	1%	-\$2	-1%
Kansas	\$58	4%	\$58	4%	\$22	2%	\$0	0%	\$36	2%
Kentucky	\$130	8%	\$130	8%	\$97	8%	\$0	0%	\$33	0%
Louisiana*	\$152	10%	\$152	10%	\$49	4%	\$0	0%	\$103	6%
Maine	\$126	8%	\$123	8%	\$97	8%	\$3	0%	\$29	0%
Maryland*	\$200	13%	\$200	13%	\$90	7%	\$0	0%	\$110	5%
Massachusetts	\$141	9%	\$141	9%	\$40	3%	\$0	0%	\$101	6%
Michigan	\$24	2%	\$24	2%	\$24	2%	\$0	0%	\$0	0%
Minnesota	\$44	3%	\$43	3%	\$5	0%	\$1	0%	\$39	2%
Mississippi*	\$88	6%	\$80	5%	\$47	4%	\$8	0%	\$41	2%
Missouri	\$110	7%	\$110	7%	\$43	4%	\$0	0%	\$67	3%
Montana	\$64	4%	\$62	4%	\$49	4%	\$2	0%	\$15	0%
Nebraska	\$61	4%	\$61	4%	\$30	2%	\$0	0%	\$31	1%
Nevada	\$50	3%	\$50	3%	\$0	0%	\$0	0%	\$50	3%
New Hampshire	\$127	8%	\$122	8%	\$0	0%	\$5	0%	\$127	8%
New Jersey	\$77	5%	\$77	5%	\$71	6%	\$1	0%	\$6	-1%
New Mexico	\$71	4%	\$68	4%	\$47	4%	\$3	0%	\$24	1%
New York*	\$6	0%	\$6	0%	\$4	0%	\$0	0%	\$2	0%
North Carolina	\$159	10%	\$154	10%	\$106	9%	\$5	0%	\$53	1%
North Dakota	\$232	15%	\$258	17%	\$158	13%	-\$26	-2%	\$74	2%
Ohio	\$114	7%	\$112	7%	\$43	4%	\$2	0%	\$71	4%
Oklahoma	\$132	8%	\$120	8%	\$54	4%	\$12	1%	\$78	4%
Oregon	\$140	9%	\$129	8%	\$90	7%	\$11	0%	\$50	1%
Pennsylvania	\$126	8%	\$87	6%	\$65	5%	\$39	2%	\$61	3%
Rhode Island	\$32	2%	\$31	2%	\$0	0%	\$1	0%	\$32	2%
South Carolina	\$61	4%	\$61	4%	\$43	4%	\$0	0%	\$18	0%
South Dakota	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%
Tennessee	\$113	7%	\$108	7%	\$39	3%	\$4	0%	\$74	4%
Texas*	\$80-\$207	5%-13%	\$77-\$201	5%-13%	\$109-\$170	9%-14%	\$3-\$6	0%	-\$29-\$37	-4%--1%
Utah	\$15	1%	\$1	0%	\$36	3%	\$14	1%	-\$21	-2%
Vermont	\$11	1%	\$0	0%	\$0	0%	\$11	1%	\$11	1%
Virginia	\$159	10%	\$154	10%	\$122	10%	\$5	0%	\$37	0%
Washington	\$65	4%	\$50	3%	\$20	2%	\$15	1%	\$45	2%
West Virginia	\$40	3%	\$38	2%	\$27	2%	\$2	0%	\$13	0%
Wisconsin	\$86	5%	\$87	6%	\$61	5%	-\$1	0%	\$25	0%
Wyoming	\$0	0%	\$0	0%	\$10	1%	\$0	0%	-\$10	-1%

## NOTES FOR TABLES 3A AND 3B: PARENT COPAYMENTS

*For a family of three, an income at 100 percent of poverty was equal to \$14,630 a year in 2001, \$18,530 a year in 2011, and \$19,090 a year in 2012.*

*For a family of three, an income at 150 percent of poverty was equal to \$21,945 a year in 2001, \$27,795 a year in 2011, and \$28,635 a year in 2012.*

*For states that calculate their fees as a percentage of the cost of care, it is assumed that the family was purchasing care at the state's maximum reimbursement rate for licensed, non-accredited center care for a four-year-old. Monthly fees were calculated from hourly, daily, and weekly fees assuming the child was in care 9 hours a day, 5 days a week, 4.33 weeks a month. Copayments for states with standard income deductions were determined based on adjusted income.*

*Changes in copayments were calculated using raw data, rather than the rounded numbers shown in the table.*

*Data in the tables for 2012 reflect policies as of February 2012, data in the tables for 2011 reflect policies as of February 2011, and data in the tables for 2001 reflect policies as of June 2001, unless otherwise indicated.*

**Florida:** Local early learning coalitions have flexibility in setting copayments; the copayments in the table reflect the maximum copayment levels allowed under state policy and used by a local coalition.

**Indiana:** Copayments vary depending on how long the family has been receiving child care assistance, with families paying a higher percentage of income the longer they receive assistance. The copayments shown in the table assume it is the first year the family is receiving assistance.

**Iowa:** A family with an income at 150 percent of poverty would be eligible for assistance if the family were using special needs care. For this family, the copayment would have been \$152 per month in 2011 and \$174 per month in 2012. A family with an income at 100 percent of poverty that is using special needs care would have the same copayment as a family using standard care. Also note that the state calculates copayments based upon units of care; a unit is a 5-hour block of time, so 9 hours of care, 5 days per week, 4.33 weeks per month would equal 44 units.

**Louisiana:** Data are not available for June 2001, so data from March 2000 are used instead.

**Maryland:** The state determines copayments based on maximum state reimbursement rates in the region where the family lives.

**Mississippi:** For children in foster care or protective services and children receiving SSI benefits, the copayment is \$10 per month.

**Nebraska:** A family with an income at 150 percent of poverty would be eligible if the family were transitioning from TANF. This family's copayment would have been \$183 per month in 2011 and \$185 per month in 2012.

**New York:** Local social services districts set copayments within a state-specified range; the copayments in the table reflect the maximum amount allowed in that range. Also note that data are not available for June 2001, so data from March 2000 are used instead.

**Texas:** Local workforce development boards set their own copayments within state guidelines. Also note that parents participating in the TANF work program (Choices) and the Food Stamp Employment and Training program are exempt from the copayment.

TABLE 4A: STATE REIMBURSEMENT RATES IN 2012

State	State reimbursement rates compared to market rates	Year when reimbursement rates last updated	If state rate is lower than rate provider charges, is provider allowed to charge parents the difference?
Alabama	12th-51st percentile of 2009 rates	2009	Yes
Alaska*	50th-75th percentile of 2009 rates	2010	Yes
Arizona*	75th percentile of 2000 rates	2009	Yes
Arkansas*	75th percentile of 2007 rates	2007	Yes, for certified
California	85th percentile of 2005 rates	2006	Yes
Colorado*	Locally determined	Varies by locality	No
Connecticut	60th percentile of 2001 rates	2002	Yes
Delaware*	50 cents/day above 65% of the 75th percentile of 2011 rates	2011	Yes
District of Columbia	75th percentile of 2001 rates	2006	No
Florida*	Locally determined	Varies by locality	Yes
Georgia	50th percentile of 2005 rates	2007	Yes
Hawaii*	At or below the 75th percentile of 2009 rates	2008/2010	Yes
Idaho	75th percentile of 2001 rates	2001	Yes
Illinois*	25th-100th percentile of 2010 rates	2012	Yes, unless contracted
Indiana	72nd percentile of 2009 rates	2009	Yes
Iowa	2% above the 75th percentile of 2004 rates	2008	No
Kansas	65th percentile of 2000 rates	2002	Yes
Kentucky	68th percentile of 2005 rates	2006	Yes
Louisiana*	15th-40th percentile of 2010 rates	2007	Yes
Maine	50th percentile of 2010 rates	2011	No
Maryland*	51st percentile of 2005 rates	2010	Yes
Massachusetts*	3rd-43rd percentile of 2010/2011 rates	2009	No
Michigan*	7th-86th percentile of 2011 rates	2009	Yes
Minnesota*	20th-31st percentile of 2011 rates	2011	Yes
Mississippi*	36th-75th percentile of 2009 rates	2007	Yes
Missouri*	33rd percentile of 2008 rates	2008	Yes
Montana	75th percentile of 2009 rates	2009	Yes
Nebraska	50th-75th percentile of 2011 rates	2011	No
Nevada	15th-65th percentile of 2010 rates	2004	Yes
New Hampshire	50th percentile of 2009 rates	2011	Yes
New Jersey*	Below the 75th percentile of 2010 rates	2009	Yes, unless contracted
New Mexico*	Above or below the 75th percentile of 2011 rates	2012	No
New York	75th percentile of 2011 rates	2011	Yes
North Carolina*	Below the 75th percentile of 2007 rates	2007	Yes
North Dakota*	7th-75th percentile of 2011 rates	2011	Yes
Ohio*	26th percentile of 2010 rates	2011	No
Oklahoma*	23rd-72nd percentile of 2010 rates	2009	No
Oregon	75th percentile of 2006 rates	2007	Yes
Pennsylvania*	40th-72nd percentile of 2007 rates	2007	Yes
Rhode Island	75th percentile of 2002/2004 rates	2008	No
South Carolina	50th-75th percentile of 2011 rates	2007	Yes
South Dakota*	75th percentile of 2009 rates	2009	Yes
Tennessee*	45th-60th percentile of 2006 rates	2008	Yes
Texas*	8th-74th percentile of 2011 rates	Varies by locality	Yes
Utah*	30th-70th percentile of 2009 rates	2007	Yes
Vermont*	At or below the 75th percentile of 2008 rates	2010	Yes
Virginia*	20th-35th percentile of 2009-2010 rates	2004/2009	Yes
Washington*	10th-84th percentile of 2010 rates	2008	No
West Virginia*	35th-85th percentile of 2011 rates	2009	No
Wisconsin	75th percentile of 2005 rates	2006	Yes
Wyoming	75th percentile of 2007 rates	2007	Yes



**TABLE 4B: STATE REIMBURSEMENT RATES COMPARED  
TO THE 75TH PERCENTILE OF CURRENT MARKET RATES IN 2012, 2011, AND 2001**

Rates equal to or above the 75th percentile of current market rates....			
State	In 2012?	In 2011?	In 2001?
Alabama	No	No	Yes
Alaska*	No	No	No
Arizona	No	No	No
Arkansas	No	No	Yes
California	No	No	Yes
Colorado*	No	No	Yes
Connecticut	No	No	No
Delaware	No	No	No
District of Columbia	No	No	No
Florida*	No	No	Yes
Georgia	No	No	No
Hawaii	No	No	No
Idaho	No	No	Yes
Illinois*	No	No	No
Indiana	No	No	Yes
Iowa	No	No	No
Kansas	No	No	No
Kentucky	No	No	Yes
Louisiana	No	No	Yes
Maine	No	No	Yes
Maryland	No	No	Yes
Massachusetts	No	No	No
Michigan	No	No	No
Minnesota	No	No	Yes
Mississippi*	No	No	Yes
Missouri	No	No	No
Montana*	No	Yes	No
Nebraska	No	No	No
Nevada	No	No	Yes
New Hampshire	No	No	No
New Jersey*	No	No	No
New Mexico*	No	No	No
New York	Yes	Yes	Yes
North Carolina*	No	No	No
North Dakota*	No	No	Yes
Ohio	No	No	No
Oklahoma	No	No	No
Oregon	No	No	No
Pennsylvania*	No	No	No
Rhode Island	No	No	Yes
South Carolina	No	No	No
South Dakota*	No	Yes	Yes
Tennessee	No	No	No
Texas*	No	No	Yes
Utah	No	No	No
Vermont*	No	No	No
Virginia	No	No	No
Washington*	No	No	No
West Virginia*	No	No	Yes
Wisconsin	No	No	Yes
Wyoming	No	No	Yes

**TABLE 4C: STATE REIMBURSEMENT RATE AMOUNT IN 2012 COMPARED  
TO MARKET RATE AMOUNT FOR CHILD CARE CENTERS**

		Center care for a four-year-old					Center care for a one-year-old				
State	City/county/ region*	Monthly state reimburse- ment rate	75th percentile of market rate	Year of market rate	Difference between state rate and 75th percentile	Percentage difference between state rate and 75th percentile	Monthly state reimburse- ment rate	75th percentile of market rate	Year of market rate	Difference between state rate and 75th percentile	Percentage difference between state rate and 75th percentile
Alabama	Birmingham Region	\$442	\$563	2011	-\$121	-22%	\$481	\$628	2011	-\$147	-23%
Alaska	Anchorage	\$650	\$825	2011	-\$175	-21%	\$850	\$900	2011	-\$50	-6%
Arizona	Maricopa County (Phoenix)	\$515	\$836	2010	-\$320	-38%	\$576	\$974	2010	-\$398	-41%
Arkansas	Pulaski County	\$457	\$468	2011	-\$11	-2%	\$552	\$552	2011	\$0	0%
California	Los Angeles County	\$744	\$826	2009	-\$82	-10%	\$1,029	\$1,198	2009	-\$169	-14%
Colorado	Denver	\$520	\$996	2011	-\$476	-48%	\$649	\$1,207	2011	-\$558	-46%
Connecticut	North Central Region	\$650	\$1,078	2011	-\$429	-40%	\$818	\$1,277	2011	-\$459	-36%
Delaware	New Castle County	\$574	\$866	2011	-\$292	-34%	\$622	\$940	2011	-\$318	-34%
District of Columbia	Citywide	\$632	\$1,170	2010	-\$538	-46%	\$862	\$1,460	2010	-\$598	-41%
Florida	Miami-Dade County	\$403	\$541	2011	-\$139	-26%	\$442	\$606	2011	-\$165	-27%
Georgia	Zone 1	\$493	\$729	2011	-\$236	-32%	\$602	\$866	2011	-\$264	-31%
Hawaii	Statewide	\$675	\$712	2010	-\$37	-5%	\$1,395	\$1,325	2010	\$70	5%
Idaho*	Region IV (Boise Metro Area)	\$492	\$585	2011	-\$93	-16%	\$594	\$645	2011	-\$51	-8%
Illinois*	Metropolitan Region	\$708	\$974	2010	-\$266	-27%	\$1,007	\$1,299	2010	-\$292	-23%
Indiana	Marion County	\$693	\$792	2011	-\$99	-13%	\$814	\$905	2011	-\$91	-10%
Iowa*	Statewide	\$561	\$686	2010	-\$125	-18%	\$696	\$814	2010	-\$118	-15%
Kansas	Sedgwick County	\$444	\$625	2010	-\$181	-29%	\$661	\$740	2010	-\$80	-11%
Kentucky	Central Region	\$473	\$606	2011	-\$133	-22%	\$540	\$684	2011	-\$144	-21%
Louisiana	Statewide	\$379	\$488	2010	-\$109	-22%	\$401	\$542	2010	-\$141	-26%
Maine	Cumberland County	\$810	\$867	2010	-\$57	-7%	\$1,018	\$1,049	2010	-\$31	-3%
Maryland*	Region W	\$532	\$780	2011	-\$247	-32%	\$844	\$1,084	2011	-\$240	-22%
Massachusetts	Boston	\$795	\$1,299	2010-2011	-\$504	-39%	\$1,181	\$1,710	2010-2011	-\$529	-31%
Michigan	Statewide	\$433	\$974	2011	-\$541	-56%	\$650	\$1,000	2011	-\$350	-35%
Minnesota*	Hennepin County	\$838	\$1,065	2011	-\$227	-21%	\$1,126	\$1,416	2011	-\$290	-21%
Mississippi	Statewide	\$312	\$390	2011	-\$78	-20%	\$339	\$433	2011	-\$94	-22%
Missouri	St. Louis Area	\$348	\$840	2010	-\$492	-59%	\$596	\$1,124	2010	-\$528	-47%
Montana	Billings Region	\$624	\$650	2011	-\$26	-4%	\$714	\$736	2011	-\$22	-3%
Nebraska	Urban Counties	\$671	\$758	2011	-\$87	-11%	\$812	\$866	2011	-\$54	-6%
Nevada	Clark County	\$498	\$749	2010	-\$251	-34%	\$606	\$844	2010	-\$238	-28%
New Hampshire	Statewide	\$712	\$823	2011	-\$110	-13%	\$853	\$953	2011	-\$99	-10%
New Jersey	Statewide	\$573	\$974	2010	-\$401	-41%	\$695	\$1,127	2010	-\$432	-38%
New Mexico*	Metropolitan Counties	\$440	\$637	2011	-\$197	-31%	\$521	\$707	2011	-\$186	-26%
New York	New York City	\$940	\$940	2011	\$0	0%	\$1,429	\$1,429	2011	\$0	0%
North Carolina*	Mecklenburg County	\$670	\$888	2011	-\$218	-25%	\$737	\$1,040	2011	-\$303	-29%
North Dakota*	Statewide	\$464	\$565	2011	-\$101	-18%	\$518	\$663	2011	-\$145	-22%
Ohio*	Cuyahoga County (Cleveland)	\$570	\$766	2010	-\$196	-26%	\$712	\$949	2010	-\$236	-25%
Oklahoma*	Enhanced Area Counties	\$438	\$520	2010	-\$82	-16%	\$601	\$671	2010	-\$70	-10%
Oregon*	Region A	\$705	\$840	2010	-\$135	-16%	\$900	\$1,038	2010	-\$138	-13%
Pennsylvania	Philadelphia	\$714	\$823	2010	-\$108	-13%	\$909	\$1,023	2010	-\$114	-11%
Rhode Island	Statewide	\$680	\$827	2011	-\$147	-18%	\$814	\$985	2011	-\$171	-17%
South Carolina	Statewide Urban Counties	\$476	\$556	2011	-\$80	-14%	\$528	\$624	2011	-\$96	-15%
South Dakota*	Minnehaha County/Sioux Falls	\$614	\$644	2011	-\$29	-5%	\$722	\$731	2011	-\$10	-1%
Tennessee*	Top Tier Counties	\$515	\$590	2010	-\$75	-13%	\$598	\$654	2010	-\$56	-9%
Texas	Gulf Coast Area	\$507	\$604	2011	-\$96	-16%	\$713	\$733	2011	-\$20	-3%
Utah*	Statewide	\$450	\$585	2011	-\$135	-23%	\$564	\$832	2011	-\$268	-32%
Vermont	Statewide	\$561	\$822	2010	-\$261	-32%	\$594	\$898	2010	-\$304	-34%
Virginia	Fairfax County	\$844	\$1,212	2009-2010	-\$368	-30%	\$1,212	\$1,416	2009-2010	-\$204	-14%
Washington	King County (Region 4)	\$673	\$1,053	2010	-\$380	-36%	\$802	\$1,255	2010	-\$452	-36%
West Virginia	Statewide	\$498	\$541	2011	-\$43	-8%	\$606	\$628	2011	-\$22	-3%
Wisconsin*	Zone D	\$779	\$897	2010	-\$117	-13%	\$1,005	\$1,152	2010	-\$148	-13%
Wyoming	Statewide	\$542	\$596	2010	-\$55	-9%	\$606	\$649	2010	-\$43	-7%

**TABLE 4D: STATE TIERED REIMBURSEMENT RATES  
FOR CENTER CARE FOR A FOUR-YEAR-OLD IN 2012**

State	City/county/ region*	Number of tier levels (including base rate)	Reimburse- ment rate for lowest tier	Reimburse- ment rate for highest tier	Reimbursement rates between highest and lowest tiers	Difference between highest and lowest tiers	Percentage difference between highest and lowest tiers	75th percentile of market rate	Difference between rate at highest tier and 75th percentile	Percentage difference between rate at highest tier and 75th percentile
Alabama										
Alaska										
Arizona	Maricopa County (Phoenix)	2	\$515	\$567	N/A	\$52	10%	\$836	-\$269	-32%
Arkansas										
California										
Colorado*	Denver	6	\$520	\$696	\$557, \$579, \$636, \$666	\$176	34%	\$996	-\$300	-30%
Connecticut	North Central Region	2	\$650	\$682	N/A	\$32	5%	\$1,078	-\$396	-37%
Delaware*	New Castle County	4	\$574	\$866	\$693, \$779	\$292	51%	\$866	\$0	0%
District of Columbia	Citywide	3	\$632	\$909	\$771	\$277	44%	\$1,170	-\$261	-22%
Florida*	Miami-Dade County	2	\$403	\$483	N/A	\$81	20%	\$541	-\$58	-11%
Georgia										
Hawaii*	Statewide	2	\$675	\$710	N/A	\$35	5%	\$712	-\$2	0%
Idaho										
Illinois*	Metropolitan Region	5	\$708	\$850	\$744, \$779, \$815	\$142	20%	\$974	-\$124	-13%
Indiana	Marion County	2	\$693	\$762	N/A	\$69	10%	\$792	-\$30	-4%
Iowa										
Kansas										
Kentucky*	Central Region	4	\$462	\$523	See notes	\$61	13%	\$606	-\$83	-14%
Louisiana*	Statewide	5	\$379	\$455	\$390, \$409, \$430	\$76	20%	\$488	-\$33	-7%
Maine*	Cumberland County	4	\$810	\$891	\$826, \$851	\$81	10%	\$867	\$24	3%
Maryland*	Region W	4	\$532	\$671	\$585, \$633	\$139	26%	\$780	-\$109	-14%
Massachusetts										
Michigan										
Minnesota	Hennepin County	2	\$838	\$964	N/A	\$126	15%	\$1,065	-\$101	-9%
Mississippi	Statewide	2	\$312	\$339	N/A	\$27	9%	\$390	-\$51	-13%
Missouri	St. Louis Area	2	\$348	\$417	N/A	\$70	20%	\$840	-\$423	-50%
Montana	Billings Region	5	\$624	\$748	\$655, \$686, \$717	\$125	20%	\$650	\$98	15%
Nebraska	Urban Counties	2	\$671	\$736	N/A	\$65	10%	\$758	-\$22	-3%
Nevada*	Clark County	2	\$498	\$573	N/A	\$75	15%	\$749	-\$176	-24%
New Hampshire										
New Jersey	Statewide	2	\$573	\$604	N/A	\$31	5%	\$974	-\$370	-38%
New Mexico*	Metropolitan Counties	5	\$395	\$527	\$440, \$465, \$500	\$132	33%	\$719	-\$192	-27%
New York*	New York City	2	\$940	\$1,081	N/A	\$141	15%	\$940	\$141	15%
North Carolina*	Mecklenburg County	5	\$477	\$702	\$501, \$641, \$670	\$225	47%	\$923	-\$221	-24%
North Dakota										
Ohio	Cuyahoga County (Cleveland)	4	\$570	\$678	\$610, \$649	\$108	19%	\$766	-\$88	-11%
Oklahoma*	Enhanced Area Counties	4	\$292	\$487	\$373, \$438	\$195	67%	\$520	-\$33	-6%
Oregon										
Pennsylvania*	Philadelphia	4	\$714	\$769	\$727, \$755	\$54	8%	\$823	-\$54	-7%
Rhode Island										
South Carolina	Statewide Urban Counties	5	\$390	\$624	\$455, \$476, \$580	\$234	60%	\$556	\$68	12%
South Dakota										
Tennessee*	Top Tier Counties	4	\$429	\$515	\$450, \$494	\$87	20%	\$590	-\$75	-13%
Texas	Gulf Coast Area	2	\$507	\$533	N/A	\$25	5%	\$604	-\$71	-12%
Utah										
Vermont	Statewide	6	\$561	\$786	\$589, \$617, \$673, \$730	\$224	40%	\$822	-\$37	-4%
Virginia										
Washington										
West Virginia	Statewide	3	\$498	\$585	\$541	\$87	17%	\$541	\$43	8%
Wisconsin*	Zone D	2	\$779	\$857	N/A	\$78	10%	\$897	-\$39	-4%
Wyoming										

## NOTES FOR TABLES 4A, 4B, 4C AND 4D: REIMBURSEMENT RATES

*State reimbursement rates are compared to the 75th percentile of market rates (the rate designed to allow families access to 75 percent of providers in their community) because federal regulations recommend that rates be set at this level.*

*A state is considered to have rates that were based on current market prices if the market survey used to set its rates was conducted no more than two years earlier (so, for example, rates used in 2012 are considered current if set at the 75th percentile of 2010 or more recent market rates).*

*States were asked to report reimbursement rates and the 75th percentile of market rates for their most populous city, county, or region. Monthly rates were calculated from hourly, daily, and weekly rates assuming the child was in care 9 hours a day, 5 days a week, 4.33 weeks a month. Differences between state reimbursement rates and the 75th percentile were calculated using raw data, rather than the rounded numbers shown in the table.*

*For states that pay higher rates for higher-quality care, the most common rate level (the level representing the greatest number of providers) for each state is used for the data analysis in Tables 4a, 4b, and 4c, unless otherwise indicated. The rates analyzed in the tables do not reflect other types of higher rates or rate enhancements, such as higher rates paid for care for children with special needs or care during non-traditional hours.*

*Data in the tables for 2012 reflect policies as of February 2012, data in the tables for 2011 reflect policies as of February 2011, and data in the tables for 2001 reflect policies as of June 2001, unless otherwise indicated. Certain changes in policies since February 2012 are noted below.*

**Alaska:** Reimbursement rates are set at the 75th percentile of market rates for infant and toddler care and at the 50th percentile for all other categories of care.

**Arizona:** Reimbursement rates were set at the 75th percentile of 2000 market rates in 2006. On July 1, 2007, the state implemented a 5 percent increase in rates. On April 1, 2009, the state reversed this 5 percent increase and rates reverted to the level at which they had been set in 2006.

**Arkansas:** Only Better Beginnings certified facilities (formerly known as quality approved providers) are allowed to charge parents the difference between the state reimbursement rate and the rate charged to private-paying parents.

**Colorado:** Each county determines its own reimbursement rates and whether to offer higher rates for higher-quality care.

**Delaware:** Providers are allowed to charge parents the difference between the state reimbursement rate and the private-pay rate under the Purchase of Care Plus option. Also note that the state started issuing payments to child care providers using tiered reimbursement rates in March 2012, retroactive to October 2011. The state has five quality rating levels, but only four different reimbursement rate tiers; providers at both quality level one and quality level two receive the basic rate.

**Florida:** Reimbursement rates vary by local early learning coalition. In addition, local coalitions may pay rates that are up to 20 percent higher than the basic rate for Gold Seal providers, a designation authorized by the legislature indicating higher-quality care and tied to accreditation. Miami-Dade reimburses Gold Seal providers at a rate that is 20 percent higher than the basic rate.

**Hawaii:** Reimbursement rates were last updated for licensed care in 2008 and for license-exempt care in 2010. Also note that the state has higher reimbursement rates for accredited center-based care for children over age 24 months through the time the children are eligible to enroll in kindergarten or junior kindergarten (usually age five by the end of the calendar year, depending on the child's birth date). The state does not have accredited rates for care for infants and toddlers or for family child care.

**Idaho:** Region IV includes Ada, Boise, Elmore, and Valley Counties.

**Illinois:** Reimbursement rates are not based on a percentile of market rates. Rates vary by age of child, type of care, and region of the state. Rates generally range from below the 25th percentile to above the 50th percentile of market rates, and in some areas of the state, exceed the 100th percentile. Reimbursement rates are reported for the Metropolitan Region (referred to as Group 1A), which includes Cook, DeKalb, DuPage, Kane, Kendall, Lake, and McHenry Counties. Also note that a provider that has a contract with the state is not permitted to ask families to pay the difference between the state reimbursement rate and the rate charged to private-paying parents.

**Iowa:** The state calculates reimbursements based upon units of care. A unit is a 5-hour block of time. The rates shown in the table are calculated assuming that if a family is using 9 hours of care, 5 days per week, 4.33 weeks per month, this would translate into 2 units of care per day for 22 days per month, or 44 units per month.

**Kentucky:** The state has four star levels. The amount of the bonus at each star level—for four-year-olds, \$7 to \$11 per month for two-star providers, \$11 to \$15 per month for three-star providers, and \$14 to \$18 per month for four-star providers—depends on the percentage of children served by the provider who are receiving child care assistance. For all levels, a licensed or certified provider may receive, to the extent funds are available, \$2 per day beyond the maximum rate if the provider is accredited. The highest rate shown in Table 4d assumes that the provider receives the maximum allowable bonus at the four-star level and is accredited.

**Louisiana:** Reimbursement rates are below the 50th percentile of market rates for most age groups and types of care; reimbursement rates for center care for infants, toddlers, and preschoolers are at the 15th percentile. Rates were last updated as of January 2007, except for the addition of rates for military providers on October 30, 2009. Also note that bonuses for higher-quality care are paid quarterly.

**Maine:** Tiered rates were temporarily increased—from 2 percent to 5 percent above the base rate for Step 2, from 5 percent to 10 percent above the base rate for Step 3, and from 10 percent to 25 percent above the base rate for Step 4—as of July 2010. The tiered rates reverted to the previous, lower levels shown in the table as of July 30, 2011. Also note that providers at Step 2 and Step 3 only receive the bonus for the first 12 months after achieving that quality level; providers at Step 4 receive the bonus on an ongoing basis.

**Maryland:** The market rate survey was conducted at various points in time during the two years prior to January 2011. Also note that Region W includes Anne Arundel, Calvert, Carroll, Charles, and Prince George's Counties.

**Massachusetts:** Reimbursement rates are between the 3rd and 31st percentile of market rates for center-based care and between the 3rd and 43rd percentile for family child care.

**Michigan:** In October 2011, reimbursement rates for legally exempt family child care providers at Tier 1 (providers that do not complete the additional training required to achieve Tier 2) were reduced. Reimbursement rates for other types of providers remained the same.

**Minnesota:** The reimbursement rates in the table reflect that as of November 28, 2011, rates for licensed child care were reduced by 2.5 percent; in addition, reimbursement rates for legally exempt family child care were reduced from 80 percent to 68 percent of rates for licensed family child care providers. Reimbursement rates for licensed centers are at approximately the 21st percentile of market rates statewide (21st percentile in rural counties and 20th percentile in urban counties). Reimbursement rates for licensed family child care are at approximately the 28th percentile of market rates statewide (31st percentile in rural counties and 27th percentile in urban counties).

**Mississippi:** Reimbursement rates for licensed centers are at the 51st percentile of market rates for infants, 49th percentile for toddlers, 56th percentile for preschoolers, 62nd percentile for school-age care during the summer, and 75th percentile for special needs care. Reimbursement rates for family child care are at the 36th percentile for infants, 65th percentile for toddlers, 64th percentile for preschoolers, 75th percentile for school-age care during the summer, and 42nd percentile for special needs care.

**Missouri:** The state does not allow parents involved in the protective services system to be asked to pay the difference between the state reimbursement rate and the rate providers charge private-paying parents.

**Montana:** Data on policies as of 2001 are not available, so policies as of March 2000 are used instead.

**Nevada:** The state has established four levels in its tiered reimbursement system, but only two are currently in effect. The first level is for all licensed centers and family child care homes. The fourth level is for all accredited centers and family child care homes, which receive a reimbursement rate that is 15 percent above the rate for licensed care. The second and third levels, which will pay 5 percent and 10 percent, respectively, above the rate for licensed care, have not been implemented yet.

**New Jersey:** The percentile of the market rate at which reimbursement rates are set depends on the age of the child and category of care. Also note that centers that have direct contracts with the state are not permitted to ask families receiving child care assistance to pay the difference between the state reimbursement rate and the rate charged to private-paying parents. Data on policies as of 2001 are not available, so policies as of March 2000 are used instead.

**New Mexico:** Reimbursement rates range from 25 percent below the 75th percentile of market rates (for five-star family child care for toddlers in metropolitan counties) to 10 percent above the 75th percentile (for five-star family child care for infants in rural counties). In August 2007, base reimbursement rates were increased for all licensed centers and group child care homes, and differential rates for four-star and five-star providers were increased as well. Reimbursement rates were decreased in November 2010, and then restored to previous levels, as shown in the table, in January 2012. Also note that the state's market rate survey differentiates between quality levels and the 75th percentile of market rates is obtained for providers at each quality level; in Table 4c, the reimbursement rate for the most common rate level is compared to the 75th percentile for that same quality level, and in Table 4d, the reimbursement rate for the highest quality level is compared to the 75th percentile for that quality level.

**New York:** Local social services districts may set reimbursement rates for accredited programs that are up to 15 percent higher than base reimbursement rates.

**North Carolina:** The state's market rate survey differentiates between quality levels and the 75th percentile of market rates is obtained for providers at each quality level. Reimbursement rates were increased on October 1, 2007, for three-, four-, and five-star licensed facilities if the market rate survey data supported a change, but were not brought up to the 75th percentile of 2007 market rates. Rates for one- and two-star licensed facilities are based on 2003 market rate survey data. In Table 4c, the reimbursement rate for the most common rate level is compared to the 75th percentile for that same quality level. In Table 4d, the reimbursement rate for the highest quality level is compared to the 75th percentile for that quality level.

**North Dakota:** Reimbursement rates ranged from the 7th to 75th percentile of market rates for center care and from the 10th to 40th percentile of market rates for licensed family and group child care as of February 2012. As of July 2012, the state increased its reimbursement rates to the 50th percentile of 2010 market rates (except rates for school-age care, which were increased to approximately the 75th percentile of market rates).

**Ohio:** The reimbursement rates in the table reflect that the state reduced its rates to the 26th percentile of 2008 market rates as of July 31, 2011.

**Oklahoma:** Most reimbursement rates are between the 23rd and 72nd percentile of market rates, depending on the type of care, age of child, geographic region, and quality rating of the provider. Enhanced Area Rates apply to 19 out of 77 counties in the state (Caddo, Canadian, Cherokee, Cleveland, Comanche, Creek, Garfield, Kay, Logan, McCurtain, Oklahoma, Ottawa, Payne, Pittsburg, Pottawatomie, Tulsa, Wagoner, Washington, and Woods).

**Oregon:** Region A includes the Ashland, Bend, Corvallis, Eugene, Monmouth, and Portland areas.

**Pennsylvania:** Reimbursement rates for center care for infants, toddlers, and preschoolers are set at least at the 62nd percentile of market rates for full-time care and the 58th percentile for part-time care. Rates for center care in counties with a concentration of young children in poverty are set at least at the 72nd percentile for full-time care and the 60th percentile for part-time care. Rates for group or family child care for infants, toddlers, and preschoolers are set at least at the 55th percentile for full-time care and the 50th percentile for part-time care. Rates for center, group, or family child care for school-age children are set at least at the 40th percentile. Also note that tiered rates shown in the table reflect that the amount of the differentials for higher-quality care were reduced as of July 1, 2011.

**South Dakota:** Reimbursement rates were increased to the 75th percentile of 2010-2011 market rates as of July 1, 2012.

**Tennessee:** Reimbursement rates are at the 60th percentile of market rates for infants, 50th percentile for toddlers, and 45th percentile and above for all others. The rates shown in the table apply to the 24 counties with the highest populations in 2007 and/or highest per capita incomes for 2005-2007.

**Texas:** Local workforce development boards determine and update reimbursement rates at their own discretion. Average rates across board areas range from the 8th to the 74th percentile of market rates. Ten of the 28 boards have updated reimbursement rates in at least one category of care within the last two years; the Gulf Coast Workforce Development Area updated its reimbursement rates in 2010. Also note that providers are allowed to ask parents to pay the difference between the reimbursement rate and the private-pay rate, unless specifically prohibited by the local board or when the parent is exempt from having to pay a copayment or the parent's copayment is calculated to be zero.

**Utah:** Reimbursement rates were increased as of July 2012.

**Vermont:** Reimbursement rates are below the 75th percentile of 2008 market rates for one- to three-star providers, at the 75th percentile of 2008 market rates for four-star providers, and above the 75th percentile of 2008 market rates for five-star providers.

**Virginia:** Reimbursement rates, depending on age group, are between the 20th and 35th percentile of market rates for licensed centers and between the 20th and 30th percentile for regulated family child care providers. Also note that infant rates were last increased in 2009 based on the 2008 market rate survey, and all other reimbursement rates were last increased in 2004.

**Washington:** Reimbursement rates for center care range from the 10th percentile of market rates for preschoolers in Region 4 to the 73rd percentile for school-age care in Region 4. Rates for family child care range from the 24th percentile for toddlers in Region 5 to the 84th percentile for school-age care in Region 1. Also note that rates were last updated in 2008, with the exception of the addition of an enhanced toddler rate for licensed family child care as of July 1, 2009.

**West Virginia:** The percentile of the market rate for reimbursement rates varies by the type of care, age of child, and quality tier. Also note that policies as of 2001 are not available, so policies as of March 2000 are used instead.

**Wisconsin:** Zone D is the most urban of the state's four zones and includes Madison and Milwaukee. The state groups its rates into four zones based on level of urbanization using Census data.

TABLE 5: ELIGIBILITY FOR CHILD CARE ASSISTANCE WHILE PARENTS SEARCH FOR A JOB IN 2012

Parents receiving child care assistance when they lose a job			Parents applying for child care assistance while searching for a job	
State	Can they continue receiving assistance?	For how much time?	Can they qualify for assistance?	For how much time?
Alabama	No	N/A	No	N/A
Alaska*	Yes	80 hours	Yes	80 hours
Arizona*	Yes	60 days	No	N/A
Arkansas*	Yes	45 days	Yes	45 days
California*	Yes	60 days	Yes	60 days
Colorado*	Yes	30 days	Yes	30 days
Connecticut*	Yes	Until end of following month	No	N/A
Delaware	Yes	90 days	No	N/A
District of Columbia*	Yes	3 months	No	N/A
Florida*	Yes	30 days	No	N/A
Georgia*	Yes	8 weeks	No	N/A
Hawaii*	Yes	30 days	Yes	30 days
Idaho*	Yes	Until end of month	No	N/A
Illinois*	Yes	30 days	No	N/A
Indiana*	Yes	13 weeks	No	N/A
Iowa*	Yes	30 days	Yes	30 days
Kansas*	Yes	Until end of month	No	N/A
Kentucky	Yes	4 weeks	No	N/A
Louisiana	No	N/A	No	N/A
Maine*	Yes	8 weeks	No	N/A
Maryland*	Yes	30 days	No	N/A
Massachusetts*	Yes	8 weeks	Yes	8 weeks
Michigan	No	N/A	No	N/A
Minnesota*	Yes	240 hours	Yes	240 hours
Mississippi*	Yes	60 days	Yes	60 days
Missouri*	Yes	4 weeks	No	N/A
Montana*	Yes	30 days	No	N/A
Nebraska*	Yes	2 months	Yes	2 months
Nevada*	Yes	2 weeks	Yes	2 weeks
New Hampshire*	Yes	40 days	Yes	40 days
New Jersey*	Yes	90 days	No	N/A
New Mexico*	Yes	30 days	No	N/A
New York*	Yes	4 weeks	Locally determined	See notes
North Carolina*	Yes	30 days	No	N/A
North Dakota*	Yes	8 weeks	Yes	8 weeks
Ohio*	Yes	30 days	No	N/A
Oklahoma*	Yes	30 days	No	N/A
Oregon*	Yes	Until end of month	No	N/A
Pennsylvania*	Yes	60 days	No	N/A
Rhode Island*	Yes	21 days	No	N/A
South Carolina	Yes	30 days	No	N/A
South Dakota*	Yes	30 days	No	N/A
Tennessee*	Yes	30 days	Yes	30 days
Texas*	Yes	4 weeks	No	N/A
Utah*	Yes	150 hours	Yes	150 hours
Vermont*	Yes	30 days	Yes	30 days
Virginia	No	N/A	No	N/A
Washington*	Yes	56 days	No	N/A
West Virginia	Yes	30 days	No	N/A
Wisconsin	Yes	Until end of month	No	N/A
Wyoming	No	N/A	No	N/A



## NOTES FOR TABLE 5: ELIGIBILITY FOR CHILD CARE ASSISTANCE WHILE PARENTS SEARCH FOR A JOB

*The table reflects policies that apply to families not receiving TANF; policies may differ for families receiving TANF.*

*Data in the tables reflect policies as of February 2012. Certain changes in policies since February 2012 are noted below.*

**Alaska:** Parents can receive child care assistance while searching for a job for up to 80 hours per year.

**Arizona:** Parent receiving child care assistance can continue to receive it while searching for a job for up to two 30-day periods or one 60-day period, beginning after the last day worked, in each 12-month period.

**Arkansas:** In addition to the 45 days parents may receive child care assistance while searching for a job, a one-time extension of 15 consecutive calendar days may be granted if needed to secure employment. Also note that as of July 2012, parents will no longer be able to qualify for child care assistance while searching for a job.

**California:** Parents can receive child care assistance while searching for a job for up to 60 working days during the contract period; child care assistance is provided for no more than 5 days per week and less than 30 hours per week.

**Colorado:** Parents can receive child care assistance while searching for a job for up to 30 days, starting with the first day child care is used, in a consecutive 12-month period. Between April 2009 and July 2011, the amount of time parents could receive child care assistance while searching for a job was temporarily expanded from 30 days to 180 days (in a 12-month period) using ARRA funds.

**Connecticut:** Parents receiving child care assistance can continue to receive it until the end of the month following the month of a job loss if they are actively seeking another job and payment is needed to prevent the loss of a slot in a school-based or licensed child care program and the child continues to attend care.

**District of Columbia:** Parents receiving child care assistance can continue to receive it for up to 3 months from the effective date of employment termination if they lost a job due to a reduction in force by the employer and through no fault of the employee.

**Florida:** Local early learning coalitions, which administer the child care assistance program, may seek a waiver to the 30-day time limit and allow parents to continue to receive child care assistance while searching for a job for up to 60 or 90 days.

**Georgia:** Parents receiving child care assistance who lose their jobs due to company closings or layoffs can continue to receive child care assistance for up to 8 weeks per occurrence. After the 8-week time period, a parent's case may be suspended for up to 12 weeks. Parents must be receiving state unemployment benefits in order to continue receiving child care assistance while searching for a job.

**Hawaii:** Parents receiving child care assistance can continue to receive it for up to 30 consecutive days from the date that they lose a job. Parents can also qualify to receive child care assistance for up to 30 consecutive days while searching for a job.

**Idaho:** Parents searching for a new job can continue to receive child care assistance only through the end of the month in which they lost their previous job.

**Illinois:** Parents receiving child care assistance can continue to receive it while searching for a job for up to 30 consecutive days, beginning the day of the parent's last day of work or school. Parents can receive child care assistance while searching for a job for up to three 30-day periods in a 12-month period. Parents are eligible for assistance for the same number of days or hours of child care per month while searching for a job as was originally approved. From November 1, 2009 through September 30, 2011, the state temporarily increased the amount of time parents could continue to receive child care assistance while searching for a job from 30 consecutive days to 90 consecutive days using ARRA funds.

**Indiana:** Parents receiving child care assistance can continue to receive it while searching for a job for up to 13 weeks per 12-month period.

**Iowa:** Parents can receive child care assistance while searching for a job for up to 30 consecutive days, once within a 12-month period.

**Kansas:** Parents receiving child care assistance must report the loss of a job within 10 days, and the caseworker must provide 10 days' notice that the case will be closed. Cases always close the last day of the month.

**Maine:** Parents receiving child care assistance can continue to receive it while searching for a job for up to 8 weeks within a 6-month period.

**Maryland:** Parents receiving child care assistance can continue to receive it while searching for a job for up to 30 consecutive days.

**Massachusetts:** Parents receiving child care assistance may be allowed to continue receiving it while searching for a job for an additional 4 weeks (on top of the initial 8 weeks allowed within a 52-week period) if there are extraordinary circumstances.

**Minnesota:** Parents can receive child care assistance while searching for a job for up to 240 hours per calendar year.

**Mississippi:** Parents can receive child care assistance while searching for a job for up to 60 days from the last date of employment.

**Missouri:** From May 1, 2010 to September 30, 2011, the state temporarily allowed parents applying for child care assistance to receive assistance while searching for a job for up to 8 weeks using ARRA funds.

**Montana:** Parents receiving child care assistance can continue to receive it for up to 30 calendar days following the loss of a job. Parents must report a change in employment status within 10 days.

**Nebraska:** Parents can receive child care assistance while searching for a job for up to 20 hours a week for 2 calendar months.

**Nevada:** Parents can receive child care assistance while searching for a job for up to 2 weeks in a 12-month calendar year. If child care assistance is provided for at least one day, the entire week is counted toward this limit. Child care assistance is only provided while a parent searches for a job for a child who is not attending school.

**New Hampshire:** Parents can receive child care assistance while searching for a job for part time (up to 30 hours per week) for up to 40 days in a 6-month period.

**New Jersey:** Parents receiving child care assistance can continue to receive it after losing a job for up to 90 days from the date of a layoff notice. Parents cannot receive child care assistance while searching for a job if they voluntarily quit employment.

**New Mexico:** Parents receiving child care assistance can continue to receive it while searching for a job for up to 30 calendar days immediately following the loss of employment, or graduation from high school or undergraduate school.

**New York:** Local social services districts may allow parents receiving assistance to continue to receive it while searching for a job for up to 2 weeks, or 4 weeks if child care arrangements would be lost if child care assistance was not continued. Local districts may also choose to allow parents to qualify or continue to receive child care assistance while searching for a job for up to 6 months if the district has funds available. Child care assistance is only provided for the portion of the day a parent documents as directly related to seeking employment. Local districts may impose additional limitations on child care assistance for parents to search for a job.

**North Carolina:** Parents receiving child care assistance can continue to receive it while searching for a job for up to 30 calendar days, and can request a 30-day extension.

**North Dakota:** Parents can receive child care assistance while searching for a job for up to 8 weeks in a calendar year for up to 20 hours a week.

**Ohio:** Parents receiving child care assistance can continue to receive it while searching for a job for up to 30 days if they are scheduled to return to work, school, or training within that timeframe.

**Oklahoma:** Parents can continue to receive child care assistance for up to 30 calendar days while searching for a job if they had been receiving child care assistance for at least 30 days prior to losing a job or completing an education program. Parents may be approved to receive child care assistance while searching for a job no more than twice per calendar year, and must have been employed or going to school for at least 90 calendar days between approval periods.

**Oregon:** Parents receiving child care assistance can continue to receive it while searching for a job until the end of the month in which the case closes after being given a 10-day notice of closure. Depending on when a parent reports losing a job, this could be the end of the same month in which the job was lost or the following month.

**Pennsylvania:** Parents who voluntarily leave a job can continue to receive child care assistance during a 13-day notification period. Parents who involuntarily lost a job could continue to receive child care assistance for up to 60 days, in addition to the 13-day notification period, as of February 2012. As of July 1, 2012, parents receiving child care assistance who involuntarily lose a job can continue to be eligible for up to 60 days, but may only have child care paid for up to 30 days.

**Rhode Island:** Parents receiving child care assistance can continue to receive it for up to 21 consecutive days from the beginning of a period of temporary unemployment resulting from a job loss or transition between jobs.

**South Dakota:** Parents receiving child care assistance can continue to receive it while searching for a job for up to 30 days from the last date of employment.

**Tennessee:** Parents can receive child care assistance while searching for a job for up to 30 calendar days.

**Texas:** Parents receiving child care assistance can continue to receive it while searching for a job for up to 4 weeks in a federal fiscal year.

**Utah:** Parents can receive child care assistance while searching for a job for up to 150 hours in a 6-month period under the Kids-In-Care Program.

**Vermont:** Parents can request two additional one-month extensions in a 12-month period to receive child care assistance while searching for a job. These extensions may be granted when certain conditions are met, such as a diligent and good faith effort to obtain paid work.

**Washington:** Parents receiving child care assistance can continue to receive it while searching for a job for a period of up to 28 days twice per year or a period of up to 56 days once per year.







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