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CHILD CARE ASSISTANCE POLICIES 2001-2004: FAMILIES STRUGGLING TO MOVE FORWARD, STATES GOING BACKWARD

by
Karen Schulman, Senior Policy Fellow
Helen Blank, Director of Leadership and Public Policy

Parents need reliable child care so that they can get and keep jobs to support their families. Yet many families, particularly low-income families struggling to make ends meet, cannot stretch their limited budgets to afford child care, which can easily cost \$4,000 to \$10,000 a year for one child.¹ Help with child care costs is critical if low-income families are to be able to work, remain self-sufficient, and stay off welfare. However, a comparison of state child care assistance policies in 2004 and 2001, based on data provided by state child care administrators,² reveals that instead of finding more help, many families now face increased barriers.

States determine most policies for their child care assistance programs, within general federal parameters. Stagnant federal child care funding combined with state budget crises have resulted in steps backward on child care policies, which in turn has placed more pressure on already strapped families. Since 2001, many states have:

- Restricted eligibility for child care assistance;
- Placed eligible families on waiting lists for help;
- Required low-income parents receiving help to pay much more toward the cost of care; and/or
- Failed to update the rates they pay child care providers to keep pace with rising costs.

These policies deprive many families of a crucial support that enables parents to work while ensuring that their children are in safe, supportive child care.

Studies demonstrate that child care assistance can make a real difference in families' ability to work and succeed. An analysis of data from the 1990s shows that single mothers who receive child care assistance are 40 percent more likely to remain employed after two years than those who do not receive assistance in paying for child care.³ Former welfare recipients with young children are 82 percent more likely to be employed after two years if they receive child care assistance.⁴ Another study found that 28 percent of families leaving welfare who did not receive child care assistance within three months of leaving returned to welfare, while only 19 percent of those who did receive child care assistance returned to welfare.⁵ Despite this clear evidence that child care assistance is essential, recent policy changes are making assistance less, not more, available.

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FEDERAL FUNDING FOR CHILD CARE ASSISTANCE HAS STAGNATED

With this difficult economy, families have had a growing need for child care assistance over the past few years. Yet, federal funding has not increased to meet their needs or support their efforts to work. The major source of federal funding for child care assistance is the Child Care and Development Block Grant (CCDBG). States use CCDBG funds to help families receiving welfare, families trying to move off welfare, low-income working families, and families with parents enrolled in training or education programs. Federal funding for the CCDBG, which is supplemented with state matching funds, increased from \$4.567 billion in FY 2001,⁶ to \$4.817 billion in FY 2002,⁷ but then dipped slightly, totaling \$4.803 billion in FY 2003,⁸ and \$4.804 billion in FY 2004.⁹

States can also use Temporary Assistance for Needy Families (TANF) block grant funds for child care, either by transferring the funds to the CCDBG or using them directly within the TANF block grant. The amount of TANF funds used for child care declined from a peak of \$3.96 billion in FY 2000 to \$3.54 billion in FY 2001 and \$3.5 billion in FY 2002 (the most recent year for which data are available).¹⁰

The reauthorization (or renewal) of the TANF and CCDBG programs could provide an opportunity for an increase in CCDBG funds. The reauthorization would set funding levels for the mandatory portion of CCDBG funding for five years. Yet this reauthorization, which is already three years late, remains stalled. Congress has also not yet approved an appropriations bill for FY 2005 to set the one-year funding level for the discretionary portion of CCDBG funding, but nothing more than a negligible increase is expected.

INCOME ELIGIBILITY LIMITS ARE MORE RESTRICTIVE IN MANY STATES

One major policy area affected by stagnant federal child care funding and state budgetary pressures is income eligibility. States set their own income eligibility limits for child care assistance. They are allowed to use CCDBG funds to serve families earning up to 85 percent of state median income (SMI).¹¹ Yet most states set their income limits for families applying for assistance far below this income level. Low income cutoffs result in many families with still very limited incomes being denied assistance, long before they are making enough to handle the cost of care on their own.

- Between 2001 and 2004, the income eligibility cutoff for a family to qualify for child care assistance declined as a percentage of the poverty level in about three-fifths of the states (see Table 1).
- In almost one-quarter of the states, the income eligibility cutoff for child care assistance declined as a dollar amount between 2001 and 2004, even without adjusting for inflation.
- Between 2001 and 2004, some states had particularly steep drops in their income cutoffs. Minnesota's income cutoff decreased from \$42,300 a year (289 percent of poverty in 2001) to \$26,700 a year (170 percent of poverty in 2004) for a family of three. Ohio and Oregon both reduced their annual income cutoffs from \$27,000 (185 percent of poverty) to \$23,500 (150 percent of poverty). West Virginia's cutoff was lowered from \$28,300 a year (193 percent of poverty) to \$21,200 a year (135 percent of poverty).
- In 2004, a family earning just above 150 percent of poverty (\$23,500 a year for a family of three) would not even qualify for child care assistance in 13 states.¹² In Missouri, a family of three earning over \$17,800 a year would not qualify for help.
- Only one state (Maine) allows families to qualify with incomes up to the maximum allowed under federal law, 85 percent of state median income.¹³

FAMILIES CONTINUE TO FACE LONG WAITING LISTS

Even if a family is eligible for help, this does not necessarily mean they will receive assistance. Many states, lacking sufficient funds to serve all families who apply for help and qualify for it, will place families on waiting lists for assistance or freeze intake, simply turning families away without even taking their names. In many cases, families on waiting lists have to wait for a year or more for help—or never get any assistance at all. Several studies show that families on waiting lists are often forced to quit their jobs, change their work hours, place their children in unreliable child care arrangements, or go into debt.¹⁴

- Although income eligibility criteria became more restrictive in many states, reducing the number of eligible families, the number of states that had waiting lists or had frozen intake altogether for low-income working families not receiving welfare rose slightly between 2001 and 2004, from 22 states to 24 states (see Table 2).
- In some states, the waiting lists are quite long. There were over 46,000 children on the waiting list in Florida, almost 36,000 families in Georgia, 26,500 children in Texas, nearly 25,000 children in North Carolina, about 23,000 children in Tennessee, and over 16,000 children in Massachusetts as of early 2004.

MANY FAMILIES PAY HIGHER COPAYMENTS

All states ask families receiving assistance to pay something toward the cost of care. Each state designs its own sliding fee scale, charging parents based on their income and/or the cost of care that they use. With a well-designed fee scale, families slowly assume a greater share of the child care costs as they gradually gain the financial means to do so. However, many states set high copayments so that families with very low incomes are still left with an unaffordable burden despite having help.¹⁵

- In about half the states, a family with an income at 150 percent of poverty saw their copayments increase as a percent of income between 2001 and 2004 or could no longer even qualify for help at this income level due to a decrease in the income cutoff (see Table 4).¹⁶ In some states, families faced particularly sharp increases. Copayments for a family of three at 150 percent of poverty with one child in care rose by \$144 a month in Arkansas and \$122 a month in Michigan.
- In about half the states, a family with an income at 100 percent of poverty saw their copayments increase as a percent of income between 2001 and 2004 (see Table 3).¹⁷ In Georgia, a family of three at 100 percent of poverty with one child in care had their copayments increase by \$87 a month, and in Ohio copayments increased by \$84 a month for a family at this income level.
- Nationwide, families who pay something for child care (whether receiving assistance or not) on average pay 7 percent of their income toward child care¹⁸—yet in many states, copayments for families receiving assistance exceed this amount. In nearly two-thirds of the states, a family at 150 percent of poverty (\$23,500 a year or \$1,959 a month for a family of three) would have to pay more than 7 percent of their income (\$150 or more a month) in copayments if they were receiving assistance, or would not even be eligible for help in 2004.
- The copayments for a family of three at 150 percent of poverty with one child in care go as high as 22 percent of income (\$423 a month) in Oregon and 19 percent of income (\$368 a month) in Arkansas.
- In 13 states, a family at 100 percent of poverty (\$15,670 a year or \$1,306 a month for a family of three) with one child in care would have to pay more than 7 percent of their income (\$100 or more a month) in fees in 2004. In Louisiana, copayments equal 13 percent of income (\$163 a month), and in North Dakota, copayments would consume 14 percent of income (\$180 a month).

PAYMENT RATES SHORTCHANGE CHILD CARE PROVIDERS

States must pay adequate reimbursement rates to child care providers who serve families receiving assistance if families are to be able to choose among good options for child care and if providers are to be willing to serve low-income families. If rates are too low, then many providers—already operating on very tight budgets—will refuse to accept children whose families receive assistance, and families will not have access to good care. Those providers who do accept the low rates will not have the resources to pay the salaries needed to attract well-qualified staff, or purchase the materials and equipment that children need, or maintain clean, safe, welcoming facilities. Federal regulations recommend that states set reimbursement rates at the 75th percentile of current market rates, the rate that would allow families access to 75 percent of the providers in their communities. Yet many states fail to meet this standard.

- In 2004, nearly three-quarters (37) of the states set rates below the 75th percentile or based their rates on outdated market rate surveys (see Table 5).¹⁹ This was worse than in 2001, when 29 states lacked adequate rates.
- Some rates are particularly low—Michigan still bases its rates on 1996 prices, and Missouri sets its rates for infant care based on 1998 prices while its remaining rates are based on 1991 levels.

CONCLUSION

Parents need help more than ever so they can get and hold on to a job and support their families. Over the past few years, median incomes have been stagnant while the number of families in poverty as well as the number of families without health insurance have increased.²⁰ Child care assistance can help families work and maintain a stable financial footing. Yet, child care funding has been on hold, leaving many families' lives on hold as well. Without additional investments in child care, many more families will be left without the good quality care parents need to keep a job and that children need to promote their successful development and enable them to start school ready to succeed. Families who desperately want to work and move ahead, and want their children to move ahead, will instead find themselves falling further behind.

METHODOLOGY

Data on state child care assistance policies as of early 2004 were collected by the National Women's Law Center from state child care administrators in spring 2004. The data were collected through an email survey with follow-up emails and telephone calls used for clarification when necessary. The 2001 data used in the following tables for comparison purposes were originally reported in the Children's Defense Fund's 2002 publication, *State Developments in Child Care, Early Education and School-Age Care 2001*. The data reflect policies as of June 1, 2001 unless otherwise noted. The Children's Defense Fund collected its data through surveys and interviews with state child care administrators and advocates.

SOURCE NOTES

- ¹ Karen Schulman, *The High Cost of Child Care Puts Quality Care Out of Reach for Many Families*, Washington, DC: Children's Defense Fund 1 (2000).
- ² See the discussion on methodology for more details on how the data were collected.
- ³ Heather Boushey, "Staying Employed After Welfare: Work Supports and Job Quality Vital to Employment Tenure and Wage Growth" (Economic Policy Institute Briefing Paper), Washington, DC: Economic Policy Institute 10 (2002).
- ⁴ Heather Boushey, "Staying Employed After Welfare: Work Supports and Job Quality Vital to Employment Tenure and Wage Growth" (Economic Policy Institute Briefing Paper), Washington, DC: Economic Policy Institute 12 (2002).
- ⁵ Pamela Loprest, *Use of Government Benefits Increases among Families Leaving Welfare* (Snapshots of America's Families III Series, No. 6), Washington, DC: Urban Institute (2003).
- ⁶ U.S. Department of Health & Human Services, *FY 2002 President's Budget for HHS 89, 90* (2001), *at* <http://www.hhs.gov/budget/pdf/hhs2002.pdf> (last visited Aug. 31, 2004). This amount includes \$2 billion in discretionary funding and \$2.567 billion in mandatory (entitlement) funding.
- ⁷ U.S. Department of Health & Human Services, *FY 2003 President's Budget for HHS 83, 92* (2002), *at* <http://www.hhs.gov/budget/pdf/hhs2003bib.pdf> (last visited Jun. 28, 2004). This amount includes \$2.1 billion in discretionary funding and \$2.717 billion in mandatory funding.
- ⁸ U.S. Department of Health & Human Services, *FY 2005 President's Budget for HHS 82, 88* (2004), *at* <http://www.hhs.gov/budget/05budget/fy2005bibfinal.pdf> (last visited Aug. 31, 2004). This amount includes \$2.086 billion in discretionary funding and \$2.717 billion in mandatory funding.
- ⁹ Child Care Bureau, *Administration for Children and Families, U.S. Department of Health & Human Services, FY 2004 Allocations and Earmarks for States and Territories*, *at* <http://www.acf.hhs.gov/programs/ccb/policy1/current/allocations2004/allocations.htm> (last updated Mar. 19, 2004).
- ¹⁰ Jennifer Mezey & Brooke Richie, *Welfare Dollars No Longer an Increasing Source of Child Care Funding: Use of Funds in FY 2002 Unchanged from FY 2001, Down from FY 2000* 5 (2003), *at* http://www.clasp.org/DMS/Documents/1060618205.42/2002_TANF_CC.pdf (last visited Aug. 31, 2004).
- ¹¹ Median income is the income below which half of families' incomes fall and which half of families' incomes exceed.
- ¹² Some of these states allow families, once they qualify, to continue receiving assistance up to a higher income limit. See table for more details.
- ¹³ Texas also allows counties to set their income cutoffs as high as 85 percent of SMI, but most counties set their eligibility cutoffs much lower.
- ¹⁴ See, for example: Children's Action Alliance, *The Real Reality of Arizona's Working Families—Child Care Survey Highlights* (2004), *at* http://www.azchildren.org/caa/_mainpages/publications/_child_care_survey_brochure_.pdf; 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); Deborah Shlick, Mary Daly, & 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; Casey Coonerty & 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); Philip Coltoff, Myrna Torres, & Natasha Lifton, *The Human Cost of Waiting for Child Care: A Study*, New York, NY: Children's Aid Society (1999); 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); Jennifer Gulley & Ann Hilbig, *Waiting List Survey: Gulf Coast Workforce Development Area*, Houston, TX: Neighborhood Centers, Inc. (1999); Jeffrey D. Lyons, Susan D. Russell, Christina Gilgor, & Amy H. Staples, *Child Care Subsidy: The Costs of Waiting*, Chapel Hill, NC: Day Care Services Association (1998).
- ¹⁵ For states that determined copayments based on the cost of care, the copayment was calculated assuming the family had one preschooler in a child care center charging the maximum state rate for licensed non-accredited care. Copayments for all states assume that the family has one child in care.
- ¹⁶ In 2001, 150 percent of the federal poverty level was equivalent to \$21,945 a year for a family of three. In 2004, 150 percent of the federal poverty level was equivalent to \$23,505 a year for a family of three.
- ¹⁷ In 2001, 100 percent of the federal poverty level was equivalent to \$14,630 a year for a family of three. In 2004, 100 percent of the federal poverty level was equivalent to \$15,670 a year for a family of three.
- ¹⁸ U.S. Census Bureau, *Who's Minding the Kids? Child Care Arrangements: Spring 1999* (Current Population Reports PPL-168), PPL Table 6: *Average Weekly Child Care Expenditures by Employed Mothers of Children Under 14: Spring 1999* (2003) *at* <http://www.census.gov/population/www/socdemo/child/ppl-168.html> (last visited Aug. 31, 2004).
- ¹⁹ Rates are considered out of date in this analysis if they were based on a market rate survey that was more than two years old.
- ²⁰ Carmen DeNavas-Walt, Bernadette D. Proctor, & Robert J. Mills, *U.S. Census Bureau, Current Population Reports, P60-226, Income, Poverty, and Health Insurance Coverage in the United States: 2003*, Washington, DC: U.S. Government Printing Office 1 (2004).

TABLE 1: INCOME ELIGIBILITY CUTOFFS
FOR A FAMILY OF THREE

| State | Income cutoff in 2004 | | | Income cutoff in 2001 | | | Change 2001 to 2004 | | |
|-----------------------|-------------------------|---|-----------------------------------|-----------------------|---|-----------------------------------|---------------------|-----------------------|-----------------------------------|
| | As annual dollar amount | As percent of poverty (\$15,670 a year) | As percent of state median income | As dollar amount | As percent of poverty (\$14,630 a year) | As percent of state median income | In dollar amount | In percent of poverty | In percent of state median income |
| Alabama* | \$19,836 | 127% | 43% | \$18,048 | 123% | 41% | \$1,788 | 4% | 2% |
| Alaska* | \$46,248 | 295% | 77% | \$44,328 | 303% | 75% | \$1,920 | -8% | 2% |
| Arizona* | \$25,188 | 161% | 53% | \$23,364 | 160% | 52% | \$1,824 | 1% | 1% |
| Arkansas* | \$25,311 | 162% | 63% | \$23,523 | 161% | 60% | \$1,788 | 1% | 3% |
| California* | \$35,100 | 224% | 66% | \$35,100 | 240% | 66% | \$0 | -16% | 0% |
| Colorado* | \$19,838-\$34,344 | 127%<-219% | 35%-60% | \$19,020-\$32,000 | 130%<-219% | 36%-61% | \$818-\$2,344 | -3%- 0% | -1% |
| Connecticut* | \$34,735 | 222% | 50% | \$47,586 | 325% | 75% | -\$12,851 | -103% | -25% |
| Delaware | \$30,528 | 195% | 50% | \$29,260 | 200% | 53% | \$1,268 | -5% | -3% |
| District of Columbia* | \$34,700 | 221% | 67% | \$34,700 | 237% | 66% | \$0 | -16% | 1% |
| Florida* | \$23,505 | 150% | 49% | \$20,820 | 142% | 45% | \$2,685 | 8% | 4% |
| Georgia | \$24,416 | 156% | 49% | \$24,278 | 166% | 50% | \$138 | -10% | -1% |
| Hawaii* | \$44,136 | 282% | 80% | \$46,035 | 315% | 83% | -\$1,899 | -33% | -3% |
| Idaho | \$20,742 | 132% | 48% | \$20,472 | 140% | 51% | \$270 | -8% | -3% |
| Illinois* | \$27,936 | 178% | 50% | \$24,243 | 166% | 43% | \$3,693 | 12% | 7% |
| Indiana | \$19,080 | 122% | 36% | \$20,232 | 138% | 41% | -\$1,152 | -16% | -5% |
| Iowa* | \$21,936 | 140% | 42% | \$19,812 | 135% | 41% | \$2,124 | 5% | 1% |
| Kansas | \$28,236 | 180% | 54% | \$27,060 | 185% | 56% | \$1,176 | -5% | -2% |
| Kentucky* | \$22,890 | 146% | 50% | \$24,140 | 165% | 55% | -\$1,250 | -19% | -5% |
| Louisiana* | \$31,152 | 199% | 72% | \$29,040 | 205% | 75% | \$2,112 | -6% | -3% |
| Maine | \$41,715 | 266% | 85% | \$36,452 | 249% | 75% | \$5,263 | 17% | 10% |
| Maryland | \$29,990 | 191% | 43% | \$25,140 | 172% | 40% | \$4,850 | 19% | 3% |
| Massachusetts* | \$28,968 | 185% | 43% | \$28,968 | 198% | 48% | \$0 | -13% | -5% |
| Michigan | \$23,880 | 152% | 42% | \$26,064 | 178% | 47% | -\$2,184 | -26% | -5% |
| Minnesota* | \$26,705 | 170% | 44% | \$42,304 | 289% | 76% | -\$15,599 | -119% | -32% |
| Mississippi | \$30,999 | 198% | 79% | \$30,999 | 212% | 77% | \$0 | -14% | 2% |
| Missouri | \$17,784 | 113% | 35% | \$17,784 | 122% | 37% | \$0 | -9% | -2% |
| Montana | \$22,536 | 144% | 56% | \$21,948 | 150% | 51% | \$588 | -6% | 5% |
| Nebraska* | \$18,312 | 117% | 36% | \$25,260 | 173% | 54% | -\$6,948 | -56% | -18% |
| Nevada | \$37,344 | 238% | 75% | \$33,420 | 228% | 67% | \$3,924 | 10% | 8% |
| New Hampshire* | \$29,004 | 185% | 48% | \$27,797 | 190% | 50% | \$1,207 | -5% | -2% |
| New Jersey* | \$30,520 | 195% | 45% | \$29,260 | 200% | 46% | \$1,260 | -5% | -1% |
| New York* | \$23,508 | 150% | 60% | \$28,300 | 191% | 75% | -\$4,792 | -41% | -15% |
| North Carolina | \$31,340 | 200% | 56% | \$28,644 | 202% | 61% | \$2,696 | -2% | -5% |
| North Dakota | \$35,352 | 226% | 74% | \$32,628 | 223% | 69% | \$2,724 | 3% | 5% |
| Ohio* | \$29,556 | 189% | 64% | \$29,556 | 202% | 69% | \$0 | -13% | -5% |
| Oklahoma* | \$23,505 | 150% | 44% | \$27,066 | 185% | 57% | -\$3,561 | -35% | -13% |
| Oregon | \$35,655 | 228% | 79% | \$29,040 | 198% | 66% | \$6,615 | 30% | 13% |
| Pennsylvania* | \$30,420 | 150% | 48% | \$27,060 | 185% | 60% | -\$3,555 | -35% | -12% |
| Rhode Island | \$30,420 | 194% | 55% | \$29,260 | 200% | 58% | \$1,160 | -6% | -3% |
| Rhode Island | \$34,335 | 219% | 58% | \$32,918 | 225% | 61% | \$1,417 | -6% | -3% |
| South Carolina* | \$26,705 | 170% | 54% | \$21,225 | 145% | 45% | \$5,480 | 25% | 9% |
| South Dakota* | \$31,344 | 200% | 62% | \$22,826 | 156% | 52% | \$8,518 | 44% | 10% |
| Tennessee | \$28,260 | 180% | 60% | \$24,324 | 166% | 56% | \$3,936 | 14% | 4% |
| Texas* | \$22,896-\$40,416 | 146%<-260% | 48%-85% | \$21,228-\$36,516 | 145%-250% | 47%-82% | \$1,668-\$3,900 | 1%- 10% | 1%- 3% |
| Utah* | \$27,768 | 177% | 56% | \$25,848 | 177% | 54% | \$1,920 | 0% | 2% |
| Vermont | \$31,032 | 198% | 59% | \$31,032 | 212% | 64% | \$0 | -14% | -5% |
| Virginia* | \$22,896-\$38,160 | 146%<-244% | 39%-65% | \$21,948-\$37,060 | 150%<-185% | 41%-50% | \$948-\$11,100 | -4%- 59% | -2%- 15% |
| Washington | \$30,528 | 195% | 55% | \$32,916 | 225% | 63% | -\$2,388 | -30% | -8% |
| West Virginia* | \$21,228 | 135% | 51% | \$28,296 | 193% | 75% | -\$7,068 | -58% | -24% |
| Wisconsin* | \$28,990 | 185% | 53% | \$27,060 | 185% | 51% | \$1,930 | 0% | 2% |
| Wyoming* | \$29,004 | 185% | 59% | \$21,948 | 150% | 47% | \$7,056 | 35% | 12% |

Bold numbers indicate lower cutoff

* notes on following pages

Notes

The income eligibility limits shown in the table represent the maximum income a family 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 cutoff. These higher exit eligibility cutoffs are reported below for states that have them.

State Notes

Alabama: In 2001, families already receiving assistance could continue doing so until their annual income reached \$27,756. In 2004, the exit eligibility cutoff was \$30,516.

Alaska: A family's Alaska Permanent Fund Dividend (PFD) payment is not counted toward this income cutoff. The October 2003 dividend amount was \$1,108 per family member or \$3,324 for a family of three. Thus, in the majority of cases, the maximum family income is \$46,248 plus \$3,324, or \$49,572.

Arizona: The income cutoff for 2001 increased to \$24,156 as of July of that year.

Arkansas: For both 2001 and 2004, the income cutoff shown in the table takes into account a \$100-per-month deduction (\$1,200 a year) that is allowed for each working parent. It was assumed there was one working parent. The stated income cutoffs, in policy, were \$22,323 in 2001 and \$24,111 in 2002.

California: Families who were receiving assistance as of January 1, 1998 could continue doing so until their annual income reached \$46,800 since they were subject to higher income guidelines previously in effect.

Colorado: Localities set their own cutoffs within state guidelines.

Connecticut: In 2004, families already receiving assistance could continue doing so until their annual income reached \$52,102.

District of Columbia: In 2001, families already receiving assistance could continue doing so until annual income reached 300 percent of poverty. In 2004, the exit eligibility cutoff was \$41,640.

Florida: In 2001, families already receiving assistance could continue doing so until annual income reached 200 percent of poverty.

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 cutoff, in policy, was \$36,828. The state no longer used the deduction in 2004.

Illinois: In 2001, the state allowed a 10 percent earned income deduction, which is taken into account in the figure shown here. The stated income cutoff was \$21,819. The state no longer used the deduction in 2004.

Iowa: For families using special needs care, the income cutoff is \$27,420. Families eligible for the state's Family Independence Program (FIP) receive child care assistance as long as they receive FIP benefits.

Kentucky: In 2004, families already receiving assistance could continue doing so until annual income reached \$25,179.

Louisiana: Data on the state's policies as of 2001 were not available, so data on policies as of March 15, 2000 were used instead.

Massachusetts: In both 2001 and 2004, families already receiving assistance could continue doing so until annual income reached \$49,248.

notes continued on following page

Minnesota: In 2004, families already receiving assistance could continue doing so until annual income reached \$38,149.

Nebraska: In 2004, families transitioning from TANF were eligible with incomes up to \$28,236 a year.

New Hampshire: Families leaving TANF and eligible for Medicaid are allowed one year of extended eligibility.

New Jersey: In 2001, families already receiving assistance could continue doing so until annual income reached \$36,575. In 2004, the exit eligibility cutoff was \$38,150.

New Mexico: For a period of time following August 1, 2001, New Mexico lowered eligibility for non-TANF families to 100 percent of poverty. Parents whose child care cases were open prior to August 1, 2001 were not subject to this new eligibility limit.

New York: Data on the state's policies as of 2001 were not available, so data on policies as of March 15, 2000 were used instead.

Ohio: In 2004, families already receiving assistance could continue doing so until annual income reached \$25,859.

Oklahoma: For 2004, the income eligibility cutoff depends on how many children are in care. This income cutoff assumes that the family had two children in care. In 2004, the state also allowed a 20 percent disregard of earned income in determining eligibility, which is taken into account in the figure shown here. The stated income cutoff, in policy, is \$28,524.

Pennsylvania: In 2001, families already receiving assistance could continue doing so until annual income reached \$34,381. In 2004, the exit eligibility limit was \$35,861.

South Carolina: In 2001, families already receiving assistance could continue doing so until annual income reached \$24,763.

South Dakota: The 2001 income cutoff shown here took into account a 4 percent earned income deduction. The stated income cutoff, in policy, was \$21,913.

Texas: Local boards set their own income cutoffs within state guidelines.

Utah: Income cutoffs shown here take into account a \$100-per-month work deduction per adult and a \$100-per-month standard medical deduction. Therefore, the stated income cutoffs, in policy, for a family with one parent working were \$200 a month (\$2,400 a year) lower than the cutoffs shown in the table.

Virginia: The state has different income cutoffs for different regions of the state. In 2001, the state had three separate regional cutoffs, which for a family of three were: \$21,948 a year, \$23,400 a year, and \$27,060 a year. In 2004, the state had four separate regional cutoffs: \$22,896 a year, \$24,420 a year, \$28,236 a year, and \$38,160 a year.

West Virginia: In 2004, families already receiving assistance could continue doing so until annual income reached \$26,172.

Wisconsin: In 2001, families already receiving assistance could continue doing so until annual income reached \$29,256. In 2004, the exit eligibility limit was \$31,344.

Wyoming: In 2001, families already receiving assistance could continue doing so until annual income reached \$27,060. In 2004, the exit eligibility limit was \$31,344.

TABLE 2: WAITING LISTS FOR CHILD CARE ASSISTANCE

| State | Number of children or families on waiting lists as of early 2004 | Number of children or families on waiting lists as of December 2001 |
|-----------------------|--|---|
| Alabama* | 14,375 children | 5,089 children |
| Alaska | No waiting list | 588 children |
| Arizona | 6,700 children | No waiting list |
| Arkansas | 801 families | 8,000 children |
| California* | 280,000 children (estimated) | 280,000 children (estimated) |
| Colorado* | 1,550 families | Waiting lists at county level |
| Connecticut* | 4,500 | Frozen intake |
| Delaware | No waiting list | No waiting list |
| District of Columbia* | 1,460 children | 9,124 children |
| Florida | 46,315 children | 46,800 children |
| Georgia | 35,743 families | 16,099 children |
| Hawaii | No waiting list | No waiting list |
| Idaho | No waiting list | No waiting list |
| Illinois | No waiting list | No waiting list |
| Indiana* | 10,966 children | 11,958 children |
| Iowa | No waiting list | No waiting list |
| Kansas | No waiting list | No waiting list |
| Kentucky | 2,153 children | No waiting list |
| Louisiana | No waiting list | No waiting list |
| Maine | 2,188 children | 2,000 children |
| Maryland | 14,412 children | No waiting list |
| Massachusetts | 16,077 children | 18,000 children |
| Michigan | No waiting list | No waiting list |
| Minnesota | 6,929 families | 4,735 children |
| Mississippi | 7,961 children | 10,422 children |
| Missouri | No waiting list | No waiting list |
| Montana | No waiting list | Varies by resource and referral district |
| Nebraska | No waiting list | No waiting list |
| Nevada | 1,700 children | No waiting list |
| New Hampshire | No waiting list | No waiting list |
| New Jersey* | 14,668 children | 9,800 children |
| New Mexico | No waiting list | No waiting list |
| New York* | Waiting lists at county level | Waiting lists at county level |
| North Carolina | 24,576 children | 25,363 children |
| North Dakota | No waiting list | No waiting list |
| Ohio | No waiting list | No waiting list |
| Oklahoma | No waiting list | No waiting list |
| Oregon | No waiting list | No waiting list |
| Pennsylvania | 1,680 children | 540 children |
| Rhode Island | No waiting list | No waiting list |
| South Carolina | No waiting list | No waiting list |
| South Dakota | No waiting list | No waiting list |
| Tennessee* | 23,000 children | 9,388 children |
| Texas | 26,518 children | 36,799 children |
| Utah | No waiting list | No waiting list |
| Vermont | No waiting list | No waiting list |
| Virginia* | 6,908 children | 4,255 children |
| Washington | No waiting list | No waiting list |
| West Virginia | No waiting list | No waiting list |
| Wisconsin | No waiting list | No waiting list |
| Wyoming | No waiting list | No waiting list |

* notes on following page

Notes

State Notes

Alabama: Data for December 2001 were not available so data from November of that year were used instead.

California: Counties maintain waiting lists, but there is no statewide total for the number of families and children on those lists. The figure reported here is an estimate.

Colorado: Four counties had waiting lists in 2001, but data on the total number of children on waiting lists in counties that had them were not available. In addition, four counties had frozen intake in 2001. For 2004, the figure reported in the table is the total for the 12 counties that reported having waiting lists.

Connecticut: The state did not report whether the number for 2004 represents children or families.

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

Indiana: In addition to the waiting list, some counties ran out of funding and stopped accepting applications for assistance in 2001.

New Jersey: Data for 2001 were not available, so data from March 2002 were used instead.

New York: Waiting lists are kept at the county level and statewide data are not available.

Tennessee: When the state reported its data in 2001 and again in 2004, the state had frozen intake for families not in the TANF or Transitional Child Care programs. The waiting list figures for each year represent the number of children on the waiting list when intake was closed.

Virginia: Data for December 2001 were not available, so data from January of that year were used instead.

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

| State | Monthly fee in 2004 | | Monthly fee in 2001 | | Change 2001 to 2004 | |
|----------------------|---------------------|------------------------|---------------------|------------------------|---------------------|----------------------|
| | 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 |
| Alabama | \$76 | 6% | \$65 | 5% | \$11 | 1% |
| Alaska | \$13 | 1% | \$14 | 1% | -\$1 | 0% |
| Arizona | \$65 | 5% | \$65 | 5% | \$0 | 0% |
| Arkansas | \$0 | 0% | \$0 | 0% | \$0 | 0% |
| California | \$0 | 0% | \$0 | 0% | \$0 | 0% |
| Colorado | \$122 | 9% | \$113 | 9% | \$9 | 0% |
| Connecticut | \$114 | 9% | \$49 | 4% | \$65 | 5% |
| Delaware | \$78 | 6% | \$55 | 5% | \$23 | 1% |
| District of Columbia | \$53 | 4% | \$32 | 3% | \$21 | 1% |
| Florida | \$69 | 5% | \$69 | 6% | \$0 | -1% |
| Georgia | \$108 | 8% | \$21 | 5% | \$87 | 3% |
| Hawaii | \$0 | 0% | \$0 | 0% | \$0 | 0% |
| Idaho | \$65 | 5% | \$65 | 5% | \$0 | 0% |
| Illinois | \$65 | 5% | \$134 | 11% | -\$69 | -6% |
| Indiana | \$82 | 6% | \$0 | 0% | \$82 | 6% |
| Iowa | \$20 | 2% | \$22 | 2% | -\$2 | 0% |
| Kansas | \$22 | 2% | \$22 | 2% | \$0 | 0% |
| Kentucky | \$108 | 8% | \$97 | 8% | \$11 | 0% |
| Louisiana* | \$163 | 13% | \$49 | 4% | \$114 | 9% |
| Maine | \$104 | 8% | \$97 | 8% | \$7 | 0% |
| Maryland | \$115 | 9% | \$90 | 7% | \$25 | 2% |
| Massachusetts | \$65 | 5% | \$40 | 3% | \$25 | 2% |
| Michigan | \$24 | 2% | \$24 | 2% | \$0 | 0% |
| Minnesota | \$51 | 4% | \$5 | <1% | \$46 | -3% |
| Mississippi | \$55 | 4% | \$47 | 4% | \$8 | 0% |
| Missouri | \$65 | 5% | \$43 | 4% | \$22 | 1% |
| Montana | \$52 | 4% | \$49 | 4% | \$3 | 0% |
| Nebraska | \$51 | 4% | \$30 | 2% | \$21 | 2% |
| Nevada | \$43 | 3% | \$0 | 0% | \$43 | 3% |
| New Hampshire | \$0 | 0% | \$0 | 0% | \$0 | 0% |
| New Jersey | \$71 | 5% | \$71 | 6% | \$0 | -1% |
| New Mexico | \$54 | 4% | \$47 | 4% | \$7 | 0% |
| New York* | \$4 | <1% | \$4 | <1% | \$0 | 0% |
| North Carolina | \$131 | 10% | \$106 | 9% | \$25 | 1% |
| North Dakota | \$180 | 14% | \$158 | 13% | \$22 | 1% |
| Ohio | \$127 | 10% | \$43 | 4% | \$84 | 6% |
| Oklahoma | \$65 | 5% | \$54 | 4% | \$11 | 1% |
| Oregon | \$119 | 9% | \$90 | 7% | \$29 | 2% |
| Pennsylvania | \$87 | 7% | \$65 | 5% | \$22 | 2% |
| Rhode Island | \$13 | 1% | \$0 | 0% | \$13 | 1% |
| South Carolina | \$39 | 3% | \$43 | 4% | -\$4 | -1% |
| South Dakota | \$10 | 1% | \$0 | 0% | \$10 | 1% |
| Tennessee | \$74 | 6% | \$39 | 3% | \$35 | 3% |
| Texas* | \$118-\$170 | 9%-13% | \$109-\$170 | 9%-14% | \$0-\$9 | -1% - 0% |
| Utah | \$33 | 3% | \$36 | 3% | -\$3 | 0% |
| Vermont | \$23 | 2% | \$0 | 0% | \$23 | 2% |
| Virginia | \$131 | 10% | \$122 | 10% | \$9 | 0% |
| Washington | \$50 | 4% | \$20 | 2% | \$30 | 2% |
| West Virginia | \$60 | 5% | \$27 | 2% | \$33 | 3% |
| Wisconsin | \$69 | 5% | \$61 | 5% | \$8 | 0% |
| Wyoming | \$10 | 1% | \$10 | 1% | \$0 | 0% |

Bold numbers indicate increased copayment
 * notes on following page

Notes

For a family of three, an income at 100 percent of poverty was equivalent to \$14,630 a year in 2001 and \$15,670 a year in 2004.

For states that calculate their fees as a percentage of the cost of care, it was 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.

State Notes

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

New York: Data were not available for June 2001, so data from March 2000 were used instead. The copayment shown in the table for 2004 applies to all families except those in New York City, who paid \$13 a month, or 1 percent of income.

Texas: Local boards set their own copayments within state guidelines.

TABLE 4: PARENT COPAYMENTS
FAMILY OF THREE WITH AN INCOME AT 150 PERCENT OF POVERTY
AND ONE CHILD IN CARE

| State | Monthly fee in 2004 | | Monthly fee in 2001 | | Change 2001 to 2004 | |
|----------------------|---------------------|------------------------|---------------------|------------------------|---------------------|----------------------|
| | 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 |
| Alabama | \$184 | 9% | \$215 | 12% | -\$31 | -3% |
| Alaska | \$42 | 2% | \$71 | 4% | -\$29 | -2% |
| Arizona | \$152 | 8% | \$217 | 12% | -\$65 | -4% |
| Arkansas | \$368 | 19% | \$224 | 12% | \$144 | 7% |
| California | \$44 | 2% | \$0 | 0% | \$44 | 2% |
| Colorado | \$231 | 12% | \$185 | 10% | \$46 | 2% |
| Connecticut | \$51 | 3% | \$110 | 6% | -\$59 | -3% |
| Delaware | \$179 | 9% | \$159 | 9% | \$20 | 0% |
| District of Columbia | \$118 | 6% | \$91 | 5% | \$27 | 1% |
| Florida | \$104 | 5% | \$104 | 6% | \$0 | -1% |
| Georgia | \$173 | 9% | \$139 | 8% | \$34 | 1% |
| Hawaii | \$43 | 2% | \$38 | 2% | \$5 | 0% |
| Idaho | Not eligible | Not eligible | Not eligible | Not eligible | NA | NA |
| Illinois | \$134 | 7% | \$134 | 7% | \$0 | 0% |
| Indiana | Not eligible | Not eligible | \$154 | 8% | NA | NA |
| Iowa | Not eligible | Not eligible | Not eligible | Not eligible | NA | NA |
| Kansas | \$177 | 9% | \$162 | 10% | \$15 | -1% |
| Kentucky | \$206 | 11% | \$177 | 9% | \$29 | 2% |
| Louisiana* | \$236 | 12% | \$114 | 6% | \$122 | 6% |
| Maine | \$196 | 10% | \$183 | 10% | \$13 | 0% |
| Maryland | \$272 | 14% | \$121–\$236 | 7%–13% | NA | NA |
| Massachusetts | \$195 | 10% | \$160 | 9% | \$35 | 1% |
| Michigan | \$146 | 7% | \$24 | 1% | \$122 | 6% |
| Minnesota | \$90 | 5% | \$53 | 3% | \$37 | 2% |
| Mississippi | \$122 | 6% | \$105 | 6% | \$17 | 0% |
| Missouri | Not eligible | Not eligible | Not eligible | Not eligible | NA | NA |
| Montana | Not eligible | Not eligible | \$256 | 14% | NA | NA |
| Nebraska | Not eligible | Not eligible | \$129 | 7% | NA | NA |
| Nevada | \$238 | 12% | \$281 | 15% | -\$43 | -3% |
| New Hampshire | \$5 | <1% | \$2 | <1% | \$3 | 0% |
| New Jersey | \$133 | 7% | \$133 | 7% | \$0 | 0% |
| New Mexico | \$121 | 6% | \$115 | 6% | \$6 | 0% |
| New York* | \$229 | 12% | \$191 | 10% | \$38 | 2% |
| North Carolina | \$196 | 10% | \$159 | 9% | \$37 | 1% |
| North Dakota | \$280 | 14% | \$293 | 16% | -\$13 | -2% |
| Ohio | \$190 | 10% | \$88 | 5% | \$102 | 5% |
| Oklahoma | \$154 | 8% | \$146 | 8% | \$8 | 0% |
| Oregon | \$423 | 22% | \$319 | 17% | \$104 | 5% |
| Pennsylvania | \$173 | 9% | \$152 | 8% | \$21 | 1% |
| Rhode Island | \$113 | 6% | \$19 | 1% | \$94 | 5% |
| South Carolina | \$48 | 2% | \$77 | 4% | -\$29 | -2% |
| South Dakota | \$293 | 15% | \$365 | 20% | -\$72 | -5% |
| Tennessee | \$143 | 7% | \$112 | 6% | \$31 | 1% |
| Texas* | \$176–\$255 | 9%–13% | \$165–\$256 | 9%–14% | -\$1 - \$11 | -1% - 0% |
| Utah | \$200 | 10% | \$220 | 14% | -\$20 | -4% |
| Vermont | \$205 | 10% | \$123 | 7% | \$82 | 3% |
| Virginia | \$196 | 10% | \$183 | 10% | \$13 | 0% |
| Washington | \$142 | 7% | \$87 | 5% | \$55 | 2% |
| West Virginia | \$97 | 5% | \$54 | 3% | \$43 | 2% |
| Wisconsin | \$178 | 9% | \$160 | 9% | \$18 | 0% |
| Wyoming | \$75 | 4% | \$98 | 5% | -\$23 | -1% |

Bold numbers indicate increased copayment

** notes on following page*

Notes

For a family of three, an income at 150 percent of poverty was equivalent to \$21,945 a year in 2001 and \$23,505 a year in 2004.

For states that calculate their fees as a percentage of the cost of care, it was 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.

State Notes

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

New York: Data were not available for June 2001, so data from March 2000 were used instead. The state allows districts the flexibility to set copayments within a state-specified range; the copayments in the table reflect the maximum amount possible in that range.

Texas: Local boards set their own copayments within state guidelines.

TABLE 5: STATE REIMBURSEMENT RATES
RATES RELATIVE TO THE 75TH PERCENTILE OF MARKET RATES

| State | Reimbursement rates 2004 | Reimbursement rates 2001 |
|----------------------|--|---|
| Alabama* | Below the 75th percentile of 2003 rates | 75th percentile of 1999 rates |
| Alaska | Below the 75th percentile of 2003 rates | 75th percentile of 1998 rates |
| Arizona | 75th percentile of 1998 rates | Below the 75th percentile of 2000 rates |
| Arkansas | 75th percentile of 2003 rates | 75th percentile of 2001 rates |
| California | Above the 75th percentile of 2002 rates | 1.5 standard deviations above the mean |
| Colorado* | At or below the 75th percentile of 2003 rates | At or above the 75th percentile of 2001 rates |
| Connecticut | Below the 75th percentile of 2001 rates | 75th percentile of 1991 rates |
| Delaware | Below the 75th percentile of 2003 rates | Below the 75th percentile of 2000 rates |
| District of Columbia | 75th percentile of 1998 rates | Below the 75th percentile of 2000 rates |
| Florida | 75th percentile of 2003 rates | 75th percentile of 2000 rates |
| Georgia* | Below the 75th percentile of 2003 rates | Below the 75th percentile of 2001 rates |
| Hawaii | Below the 75th percentile of 2001 rates | Below the 75th percentile of 2001 rates |
| Idaho | 75th percentile of 2001 rates | 75th percentile of 2001 rates |
| Illinois* | Below the 75th percentile of current market rates | Below the 75th percentile of 2000 rates |
| Indiana | 75th percentile of 2003 rates | 75th percentile of 2000 rates |
| Iowa | 75th percentile of 1998 rates | 75th percentile of 1998 rates |
| Kansas | Below the 75th percentile of 2000 rates | Below the 75th percentile of 1998 rates |
| Kentucky | Approximately 75th percentile of 2003 rates | 75th percentile of 2000 rates |
| Louisiana | 75th percentile of 2003 rates | At or above the 75th percentile of 1999 rates |
| Maine | 75th percentile of 2002 rates | 75th percentile of 2000 rates |
| Maryland | 75th percentile of 2001 rates | 75th percentile of 1999 rates |
| Massachusetts* | At or below the 75th percentile of 2002 rates | Below the 75th percentile of 2000 rates |
| Michigan | 75th percentile of 1996 rates | Below the 75th percentile of 1999 rates |
| Minnesota | 75th percentile of 2001 rates | 75th percentile of 1999 rates |
| Mississippi | 75th percentile of 2000 rates | Above the 75th percentile of 2001 rates |
| Missouri | Based on 1998 rates for infants, 1991 rates for others | Below the 75th percentile of 1996 rates |
| Montana* | 75th percentile of 2000 rates | 75th percentile of 1998 rates |
| Nebraska | At or below the 75th percentile of 2003 rates | 75th percentile of 1997 rates |
| Nevada | Below the 75th percentile of 2002 rates | 75th percentile of 2000 rates |
| New Hampshire | Below the 75th percentile of 2001 rates | Below the 75th percentile of 2000 rates |
| New Jersey* | Below the 75th percentile of 2002 rates | Below the 75th percentile of 1997 rates |
| New Mexico | Below the 75th percentile of 2003 rates | Below the 75th percentile of 1999 rates |
| New York | 75th percentile of 2003 rates | At or above the 75th percentile of 1999 rates |
| North Carolina | 75th percentile of 2001 rates | 75th percentile of 1997 rates |
| North Dakota* | At or above the 75th percentile of 2003 rates | 75th percentile of 1999 rates |
| Ohio | 75th percentile of 2000 rates | 75th percentile of 1998 rates |
| Oklahoma* | Below the 75th percentile of 2003 rates | Below the 75th percentile of 2001 rates |
| Oregon* | Below the 75th percentile of 2002 rates | Below the 75th percentile of 2000 rates |
| Pennsylvania | 75th percentile of 2000 rates | 75th percentile of 1998 rates |
| Rhode Island | 75th percentile of 2002 rates | 75th percentile of 2000 rates |
| South Carolina | 75th percentile of 2002 rates | 75th percentile of 1998 rates |
| South Dakota | 75th percentile of 2003 rates | 75th percentile of 2001 rates |
| Tennessee | Below the 75th percentile of 2002 rates | Below the 75th percentile of 2000 rates |
| Texas* | Most counties below the 75th percentile of 2003 rates | 75th percentile of 1999 rates |
| Utah | 75th percentile of 2000 rates | Below the 75th percentile of 2000 rates |
| Vermont | Below the 75th percentile of 2002 rates | Below the 75th percentile of 2000 rates |
| Virginia* | Most counties below the 75th percentile of 2003 rates | Below the 75th percentile of 2000 rates |
| Washington | Below the 75th percentile of 2000 rates | Below the 75th percentile of 2000 rates |
| West Virginia* | At or below the 75th percentile of 2003 rates | 75th percentile of 1999 rates |
| Wisconsin | 75th percentile of 2003 rates | 75th percentile of 2000 rates |
| Wyoming | 75th percentile of 2002 rates | 75th percentile of 2001 rates |

* notes on following page

Notes

Data on reimbursement rates were collected differently for 2001 and 2004. In 2001, states were asked to report the maximum state reimbursement rate for licensed, non-accredited, center-based care for a four-year-old in the highest cost area of the state and, for comparison, the 75th percentile of the market rate for that category of care as well as the year in which the survey for determining those rates was conducted. In 2004, states were asked to indicate the percentile at which they set their market rates and the year of the market rate survey they were using as the reference point. Data are presented in the table so that they appear as comparable as possible.

The data in this table compare states' basic rates to the 75th percentile. Some states may have higher rates for particular types of care such as higher quality care or care for children with special needs.

State Notes

Alabama: Percentile varies by region.

Colorado: Each county determines its own rates.

Georgia: Percentile varies by type of care, age of child, and region.

Illinois: The state does not set its rates as a percentile of the market. However, the state has not updated its rates since 1999.

Massachusetts: Percentile varies by type of care and region.

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

New Jersey: The state does not set its rates based on a percentile of market rates, but a comparison of its 2004 rates with a 2002 survey of market prices showed that most rates were at or below the 50th percentile. Also, note that data on policies as of 2001 were not available, so policies as of March 2000 were used instead.

North Dakota: In 2004, rates for centers were above the 75th percentile, but rates for some family child care providers were below the 70th percentile.

Oklahoma: Percentile varies vary by type of care, age of child, and region.

Oregon: Percentile varies vary by type of care, age of child, and region.

Texas: Localities have flexibility in determining maximum reimbursement rates. Most localities set reimbursement rates well below the 75th percentile as of 2004.

Virginia: Percentile varies by locality, but in most areas rates fell below the 75th percentile in 2004.

West Virginia: In 2004, rates for center care ranged from the 70th to the 75th percentile while rates for family child care were at the 65th percentile or lower and group care rates were at the 50th percentile. Also note that data on policies as of 2001 were not available, so policies as of March 2000 were used instead.

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please visit www.nwlc.org*



11 Dupont Circle, NW
Washington, DC 20036
Suite 800
202.588.5180 • 202.588.5185
www.nwlc.org