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State Child Care Assistance Policies 2009: Most States Hold the Line, but Some Lose Ground in Hard Times

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Child care helps children, families, and communities prosper. Children in child care have the opportunity to learn and develop skills they need to succeed in school and in life. Parents with dependable child care have the support and peace of mind they need to be productive at work. And child care helps our nation stay competitive, with a stronger workforce now and in the future. In this time of great economic challenge and uncertainty, child care assistance that helps families afford the high cost of care—the average fee for full-time care ranges from nearly $3,400 to $15,900 annually, depending on where the family lives, the type of care, and the age of the child[1]—plays a more important role than ever. By helping families afford reliable child care, child care assistance can relieve a tremendous financial strain for families struggling to make ends meet, enable parents to have the child care they need to maintain employment when jobs are increasingly scarce, and provide a stable environment for children whose families may be experiencing instability in other aspects of their lives. Child care assistance can also help parents who lose their jobs hold onto their child care so that they have time and availability for job interviews and other activities related to searching for a new job, retain their child care so it is available as soon as they find a new job, and ensure their children have continuity in their care.

Between February 2008 and February 2009, the majority of states had no changes in the child care assistance policy areas covered in this report—income eligibility limits to qualify for child care assistance, waiting lists for child care assistance, copayments required of parents receiving child care assistance, and reimbursement rates for child care providers serving families receiving child care assistance. However, in those states in which changes occurred, more states moved backward than forward in each of these policy areas. Moreover, most states did not advance or fell further behind in one or more policy areas since 2001.[2] These changes are described in more detail below, but to summarize:

- Nine states raised their income eligibility limits for child care assistance sufficiently to surpass inflation, as measured against the increase in the federal poverty level between February 2008 and February 2009, and an additional twenty-six states increased their income limits enough to keep pace, or nearly keep pace, with inflation, as measured against the federal poverty level.[3] However, three states decreased their income limits, and the remaining thirteen states failed to increase their income limits sufficiently to keep pace with

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inflation. Moreover, in half of the states, the income limits in 2009 were lower as a percentage of poverty than in 2001.[4]

- The number of states with waiting lists for child care assistance in 2009—nineteen—was higher than the number of states with waiting lists in 2008, when seventeen states had waiting lists. In addition, in nine of the fifteen states that had waiting lists and for which comparable data were available, the number of children on the waiting list increased between 2008 and 2009. However, the number of states with waiting lists in 2009 was still lower than the number of states with waiting lists—twenty-two—in 2001, and in eight of the fourteen states that had waiting lists in both years and for which there were comparable data, the number of children on the waiting list decreased between 2001 and 2009.

- In three-fifths to four-fifths of the states, depending on family income, families receiving child care assistance paid the same percentage of their income in copayments in 2009 as in 2008, and in a few states families paid a lower percentage of their income in copayments. Yet in approximately one-fifth of the states, families paid a higher percentage of their income in copayments in 2009 than in 2008. Moreover, in two-fifths to three-fifths of the states, families paid a higher percentage of their income in copayments in 2009 than in 2001. In about one-third to two-thirds of the states, depending on income, families receiving child care assistance paid a greater percentage of their income in copayments in 2009 than the nationwide average percentage of income that families who pay for child care spent on that care.

- Only nine states had reimbursement rates for providers who serve families receiving child care assistance at the federally recommended level in 2009, lower than the number—ten—in 2008, and less than half the number—twenty-two—in 2001. Approximately two-thirds of the states had higher reimbursement rates for higher-quality providers in 2009, but in more than half of these states, even the higher rates were below the federally recommended level.

Although during the first full year of the current recession most states managed to avoid major cuts in the child care assistance policies examined in this report, most states made the budget decisions that determined the policies in effect in February 2009 before the dramatic deepening of the recession and increase in state budget shortfalls that occurred at the end of 2008 and beginning of 2009.[5] The worsening state budget picture creates the potential for additional cuts in 2009 and beyond; however, the passage of the American Recovery and Reinvestment Act (ARRA) in February 2009 provides an additional $2 billion in funding for the Child Care and Development Block Grant (CCDBG) that may help avert such cuts or encourage positive changes in child care assistance policies.

Looking Ahead: Developments Since February 2009

Although analyzing state policies at a single point in time—in this case, February 2009—has the advantage of allowing for comparability across states and across years, it has the disadvantage of failing to capture subsequent significant changes in state policies. For the reasons described above, this disadvantage is particularly relevant this year. As of February 2009, a number of states were proposing or planning cuts in their child care assistance programs in response to existing or projected state budget deficits. At the same time, a number of states were proposing to maintain or expand their programs using ARRA funds. These proposed changes provide some initial evidence of how the challenge presented by state budget deficits is affecting child care assistance policies negatively and how the opportunity offered by the ARRA funds is affecting child care assistance policies positively.

While not all states had finalized their plans for how they would use their ARRA child care funds as of August 2009, thirty states reported at least some information about how they were using or planned to use the funds. Among those states reporting information on their use of ARRA funds, twenty indicated that the funds were enabling them to maintain services for children and families already receiving child care assistance (Alabama and Arizona), avoid or delay the implementation of waiting lists and instead continue to serve families who apply for assistance (Colorado, Iowa, Maryland, and New Hampshire), reduce the length or prevent the growth of existing waiting lists for child care assistance (Arkansas, Maine, Mississippi, New Jersey, North Carolina, and Texas), expand eligibility for child care assistance for families searching for work (Delaware, North Carolina, South Dakota, and Texas),[6] serve a particular group of families (Massachusetts, South Carolina, and Washington), and/or achieve some combination of these purposes (Connecticut, Florida, and Wisconsin). For example:

- Alabama is using ARRA funds to avoid cutting child care assistance for 3,000 children already receiving it.
- Arizona is using ARRA funds to avoid cutting child care assistance for 15,000 children already receiving it.
- Florida is using ARRA funds to support approximately 20,000 child care assistance slots. Some local coalitions, which administer the child care assistance program, are using the funds to create new slots and others are using the funds to maintain enrollment.
- Maine is using nearly $2.48 million in ARRA funds to provide child care assistance to 300 children on the waiting list.
- Massachusetts allocated $2.5 million of its ARRA funding to provide Summer Learning Vouchers for working families with school-age children during the summer months of 2009. The vouchers provided assistance to children and families who met the income criteria for child care assistance and resided in school districts determined to be underperforming, with priority given to children whose siblings were already receiving child care assistance. The funds were used to support children's attendance at summer-only programs with a specific component or focus on addressing summer learning loss. Over 800 school-age children attended more than 250 summer enrichment programs across the state.
- Mississippi is using ARRA funds to provide child care assistance to more children, which contributed to a decrease in the waiting list from 6,667 children in February 2009 to 117 children in July 2009.
- New Hampshire used ARRA funds to delay the implementation of a waiting list that would have gone into effect on April 1, 2009. The state had seen a significant increase (by more than 4 percent) in the number of children receiving child care assistance during the fiscal year that began July 1, 2008. However, the state plans to begin implementing a waiting list as of October 1, 2009.
- North Carolina is using ARRA funds to increase the length of time a family may seek employment while receiving child care assistance from sixty days to six months for parents who were unemployed or underemployed on or after October 1, 2008, or who graduated with a degree or certificate as of December 2008. In addition, parents can qualify for child care assistance while seeking employment;

previously, they could only qualify if they were already receiving child care assistance when they lost their job. The policy went into effect July 1, 2009. The state has also extended the time limit for education while receiving child care assistance from twenty-four months to thirty-six months for a parent who has lost employment on or after October 1, 2008, or otherwise needs additional training to enhance their marketable skills for job placement.

Although states have flexibility in spending most of the new ARRA child care funds, consistent with the CCDBG's general parameters, a significant portion of the funds must be spent on quality improvement activities, and some of these quality funds must be targeted at improving infant and toddler care. Of the $2 billion in ARRA funding for the CCDBG, $255.2 million must be spent on quality improvement activities, of which $93.6 million must be spent to improve infant and toddler care. Eleven states reported some specific information about how they are using or proposing to use these funds for quality initiatives, which include the establishment or expansion of quality rating and improvement systems to assess and enhance the quality of child care settings (Delaware, Minnesota, New York, Texas, and Washington); provider training and professional development (Arkansas, District of Columbia, Idaho, Maine, New York, Oregon, South Dakota, Texas, and Washington); grants to providers for equipment and materials (Arkansas, Maine, and South Dakota); child care resource and referral services (Arkansas and New York); promotion of child care that integrates children with special needs (Arkansas and Texas); grants to support family, friend, and neighbor care (Minnesota); infant and toddler consultants (Arkansas); and infant and toddler resource centers (New York). For example:

- Maine is using a portion of its ARRA child care quality funds for development and implementation of a coordinated calendar for child care provider trainings; degree, credential, and certification coursework scholarships for providers; increased availability of training on the state's Early Childhood Learning Guidelines; a full-time position for two years for development of a health consultant network; and training and equipment to support accreditation. The state is also using its ARRA quality funds for initiatives to improve infant and toddler care, including scholarships for infant and toddler coursework; equipment to support accreditation for infant and toddler programs; and training on infant mental health.

- Oregon is using its ARRA child care quality funds to support the first phase of EQUIP (Education and Quality Investment Partnership), a new public-private partnership that will provide awards to child care providers who receive additional training and education to encourage them to stay in the field and seek professional development.

- South Dakota is using a portion of its ARRA child care quality funds for Provider Enhancement Grants, which are available to registered and licensed child care programs to help purchase equipment, developmentally appropriate toys, outdoor play equipment, curriculum materials, children's books, and other items to enhance the child care environment. The state is also using its ARRA funds for Out-of-School-Time Maintenance Grants for Rural Programs, which will help cover costs for personnel, professional development, transportation, equipment and materials, and other expenses associated with the general operation of the program. Finally, the state is offering Provider Scholarships for Infant Toddler Training for registered family child care providers, group family child care providers, and child care centers that care for infants and toddlers (birth to age three) to help offset costs such as travel and staff time for participation in training on infant and toddler care.

While ARRA funds are helping many states expand their child care assistance programs or at least maintain them in the face of a bleak state fiscal situation, not all states have been able to ward off cuts. Several states reported that they have made cutbacks in their child care assistance programs since February 2009 or anticipate making cutbacks in the coming year. For example:

- Arizona's waiting list, which was implemented on February 18, 2009, grew to 4,674 children as of July 2, 2009. Although, as discussed above, the state used ARRA funds to prevent the loss of child care assistance for children who already were receiving it, the state has not been able to serve all families newly applying for child care assistance. The state also eliminated copayment discounts for additional children in the family, effective April 1, 2009. In addition, provider reimbursement rates were reset back to the 75th percentile of 2000 market rates (reversing a 5 percent increase in provider rates implemented on July 1, 2007), effective April 1, 2009.

- Maryland delayed an increase in its reimbursement rates, from the 45th to the 51st percentile of 2005 market rates, from October 2009 to January 2010.

- Massachusetts began significantly limiting access to child care assistance for most families, with the exception of certain categories of families with special circumstances, such as teenage-parent families and homeless families, effective November 3, 2008. The state has since restricted child care assistance for some of these categories of families as well. Child care assistance will no longer be available to homeless families, except those participating in the Temporary Assistance for Needy Families (TANF) work program, effective September 1, 2009. Child care assistance will also no longer be available to newly eligible teenage-parent families, except those receiving or transitioning from TANF or referred from the child protective services system, effective October 1, 2009.

- Ohio reduced its income eligibility limit from 200 percent of poverty to 150 percent of poverty effective July 23, 2009.[7] For example, the income eligibility limit for a family of three went from \$36,624 a year to \$27,468 a year.[8] The state also reduced reimbursement rates from the 65th percentile of 2006 market rates to the 35th percentile of 2008 market rates. For example, the reimbursement rate for a four-year-old in center-based care in Cuyahoga County went from \$690 per month to \$603 per month. In addition, the state eliminated its Early Learning Initiative, a full-day, full-year early care and education program.

- Pennsylvania's waiting list grew from 15,446 children as of February 2009 to 16,310 children as of August 2009.

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 2009 requesting data on policies as of February 2009 in four key areas—income eligibility limits, waiting lists, parent copayments, and reimbursement rates. States were also asked to report any policy changes in each of the four areas, as well as any other major policy changes, they anticipated within the coming year. In addition to these questions, which were largely the same as in the previous year's survey, states were asked to report on any decisions that had been made about how they would use the additional CCDBG funds made available through the ARRA. The state administrators were contacted by Center staff for follow-up information as necessary.

Funding for Child Care Assistance for Low-Income Families

The primary source of funding for child care assistance is the federal Child Care and Development Block Grant (CCDBG) program. CCDBG funding peaked in real terms at $4.817 billion in FY 2002[9] before declining to $4.800 billion in FY 2005.[10] Annual funding for the CCDBG increased to $4.979 billion in FY 2006,[11] where it remained until another slight increase to $5.044 billion in FY 2009.[12] After adjusting for inflation, the FY 2009 funding level is below the FY 2002 level ($5.832 billion in FY 2009 dollars).[13] The American Recovery and Reinvestment Act (ARRA) provides an additional $2 billion in CCDBG funding for FY 2009 and FY 2010, but this funding is not permanent.

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 the CCDBG, or use TANF funds directly for child care without first transferring the money. Even before adjusting for inflation, states' use of TANF dollars for child care (including both transfers and direct funding) declined from a high of $3.97 billion in FY 2000[14] to $3.12 billion in FY 2006,[15] before increasing slightly to $3.20 billion in FY 2007 (the most recent year for which data are available).[16]

The 2008 data used in this report for comparison purposes were collected by the Center through a similar process and published in the Center's September 2008 report, *State Child Care Assistance Policies 2008: Too Little Progress for Children and Families*. 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 just after the peak of TANF funding for child care in FY 2000 and just prior to the peak of CCDBG funding in FY 2002.

The Center chose to examine the four policy areas covered in this report because they are critical in determining 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,[17] and waiting lists help reveal whether families who qualify for assistance actually receive it. Parent copayment levels reveal whether low-income parents receiving child care assistance are left with significant out-of-pocket costs for 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.

Income Eligibility Limits

A family's ability to obtain child care assistance depends on a state's income eligibility limit. In analyzing this policy area, it is important to consider not only a state's limit in a given year, but also whether the state adjusts the limit for inflation each year so that a family does not become ineligible for assistance because its income simply keeps pace with inflation.

Between 2008 and 2009, over two-thirds of the states increased their income eligibility limits sufficiently to keep pace with or surpass inflation, as measured against the increase in the federal poverty level during this time period.[18] However, between 2001 and 2009, only about half of the states increased their income eligibility limits sufficiently to keep pace with or surpass inflation, as measured against the increase in the federal poverty level during this time period. In addition, income eligibility limits in 2009 remained low—at or below 200 percent of poverty in over three-quarters of the states.

- In thirty-seven states, the income eligibility limit for a family to qualify for assistance as a dollar amount increased between 2008 and 2009 (*see Table 1a*). In nine of these states, the increase was great enough that the income limit was higher as a percentage of the federal poverty level in 2009 than in 2008. In twenty-six of these states, the income limit increased enough to remain the same, or nearly the same, as a percentage of the federal poverty level.[19] In two 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 2009 than in 2008.

- In three states, the income eligibility limit decreased as a dollar amount between 2008 and 2009. In eleven states, the income limit stayed the same as a dollar amount between 2008 and 2009. As a result, in all of these states, the income limit decreased as a percentage of the federal poverty level, bringing to sixteen the total number of states in which the income limit did not keep pace with the increase in the federal poverty level between 2008 and 2009.

- In forty-four states, the income eligibility limit was higher as a dollar amount in 2009 than in 2001 (*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 2009 than in 2001. In seventeen 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.[20] However, in nineteen 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 2009 than in 2001.

- In six states, the income eligibility limit was lower as a dollar amount in 2009 than in 2001. In one state, the income limit stayed the same as a dollar amount. In all of these states, the income limit decreased as a percentage of the federal poverty level, bringing to twenty-six 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 2009.

- The income eligibility limit was above 100 percent of the federal poverty level ($18,310 a year for a family of three in 2009) in all states in 2009. However, a family with an income slightly above 150 percent of poverty ($27,465 a year for a family of three in 2009) could not qualify for assistance in thirteen states. A family with an income above 200 percent of poverty ($36,620 a year for a family of three in 2009) could not qualify for assistance in thirty-nine 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.[21]

Waiting Lists

Families who qualify for child care assistance generally have no guarantee that they will receive it. Instead, a state may place eligible families on a waiting list or may freeze intake (turn away families without adding their names to a waiting list). Although some families on the waiting list eventually receive assistance, the wait may last for months or longer, and some families never receive the assistance for which they are waiting. As they struggle to afford reliable, good-quality child care on their own, many low-income families on the waiting list turn to low-cost—often poor-quality—care, strain to pay other bills, or find it difficult to hold onto their jobs, according to several studies.[22]

In 2009, over three-fifths of the states were able to serve eligible families without placing any on waiting lists or freezing intake. The remaining nearly two-fifths of the states had waiting lists or frozen intake for at least some families applying for assistance. The number of states with waiting lists was lower in 2009 than in 2001, but it was greater than the number in 2008. In addition, several states with waiting lists that were shorter in 2008 than in 2001 had waiting lists that were longer in 2009 than they had been in 2008.[23]

- Nineteen states had waiting lists or frozen intake in 2009, an increase from the seventeen states that had waiting lists or frozen intake in 2008, although still below the number of states—twenty-two—that had waiting lists or frozen intake in 2001 (*see Table 2*).
- Nine states had longer waiting lists in 2009 than in 2008, while six states had shorter waiting lists. In the remaining two states with waiting lists in both 2008 and 2009, it was not possible to compare the length of waiting lists based on the available data.
- Six states had longer waiting lists in 2009 than in 2001, while eight states had shorter waiting lists. In the remaining three states with waiting lists in both 2001 and 2009, it was not possible to compare the length of waiting lists based on the available data.

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. In some states, the cost of care used by a family is also taken into account in determining the amount of the family's copayment. If states do not set copayments at reasonable levels, low-income families may strain to afford their copayments, may fail to cover their copayments and leave their child care providers to absorb the lost income, or may be discouraged from participating in the child care assistance program altogether.

This study compares 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.[24] In three-fifths to four-fifths of states, depending on family income, families paid the same percentage of their income in copayments in 2009 as in 2008, and in a few states families paid a lower percentage of their income in copayments in 2009 than in 2008. Yet in nearly one-fifth of the states, families paid a higher percentage of their income in copayments in 2009 than in 2008. Moreover, in two-fifths to three-fifths of the states, families paid a higher percentage of their income in copayments in 2009 than in 2001.

Although most states did not raise copayments between 2008 and 2009, copayments were high in many states in 2009. In one-third of the states, a family at 100 percent of poverty was required to pay more in copayments in 2009 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—7.0 percent of income.[25] In over two-thirds of the states in which a family at 150 percent of poverty was eligible for assistance, that family was required to pay more than 7.0 percent of its income in copayments.

- In six states, copayments for a family of three at 150 percent of poverty[26] declined as a percentage of income between 2008 and 2009 (*see Table 3a*). In twenty-nine states, copayments remained the same as a percentage of income. In contrast, in eight states, copayments increased as a percentage of income. In six states, a family at 150 percent of poverty was not eligible for child care assistance in either 2008 or 2009, and in two states, a family at 150 percent of poverty was eligible in 2008 but not 2009.[27]

- In twelve states, copayments for a family of three at 150 percent of poverty[28] declined as a percentage of income between 2001 and 2009. In eleven states, copayments remained the same as a percentage of income. In contrast, in twenty states, copayments increased as a percentage of income. In three states, a family at 150 percent of poverty was not eligible for child care assistance in either 2001 or 2009, and in five states, a family at 150 percent of poverty was eligible in 2001 but not 2009.

- In two states, copayments for a family of three at 100 percent of poverty decreased as a percentage of income between 2008 and 2009 (*see Table 3b*). In forty states, copayments remained the same as a percentage of income. In contrast, in nine states, copayments increased as a percentage of income.

- In five states, copayments for a family of three at 100 percent of poverty decreased as a percentage of income between 2001 and 2009. In sixteen states, copayments remained the same as a percentage of income. In thirty states, copayments increased as a percentage of income.

- In thirty-one states, the copayment for a family of three at 150 percent of poverty was above $160 per month (7.0 percent of income) in 2009. In an additional eight states, a family at this income level was not eligible for child care assistance.

- In seventeen states, the copayment for a family of three at 100 percent of poverty was above $107 per month (7.0 percent of income) in 2009.

Reimbursement Rates

States determine reimbursement rates for child care providers who care for children receiving child care assistance. States set a maximum level up to which they will reimburse providers, and a provider must charge private-paying parents a fee that is equal to or greater than this level to receive the maximum rate. 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 for sustaining their businesses, paying salaries to attract and retain staff, maintaining sufficient child-staff ratios, and having facilities, materials, and supplies for activities that promote children's learning. Low reimbursement rates deprive child care providers of resources crucial for supporting high-quality care and can discourage high-quality providers from serving families receiving child care assistance.

States are required to conduct surveys of 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,[29] a rate that allows families access to 75 percent of the providers in their communities.

In 2009, less than one-fifth of the states set their reimbursement rates at the 75th percentile of current market rates, slightly lower than in 2008, and much lower than in 2001, when over two-fifths of the states set their reimbursement rates at this recommended level.[30] In many states, reimbursement rates were significantly below the 75th percentile of current market rates.

When the state 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). While this approach may be intended to help child care providers avoid losing income, it places a financial burden on low-income families whose very eligibility for child care assistance demonstrates that they cannot afford this additional charge.

- Only nine states set their reimbursement rates at the 75th percentile of current market rates (rates from 2007 or 2008) in 2009 (*see Table 4a*). This was lower than the number of states—ten—that set their reimbursement rates at this level in 2008 (*see Table 4b*). In addition, it was less than half the number of states—twenty-two—that set their reimbursement rates at this level in 2001.

- Thirty-eight states reported that they updated their reimbursement rates in 2007 or more recently. Only one state reported that it had not updated its reimbursement rates since 2001.

- In eighteen states, reimbursement rates for center-based care for a four-year-old in 2009 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*).[31]

- In nineteen states, reimbursement rates for center-based care for a one-year-old in 2009 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.[32]

- Thirty-nine states allowed child care providers to charge parents receiving child care assistance the difference between the state reimbursement rate and the fee that the provider charges private-paying parents if the state reimbursement rate is lower in 2009—the same number of states as in 2008.[33]

Approximately two-thirds of the states reimbursed child care providers at higher reimbursement rates in 2009 if they met higher-quality standards (tiered rates).[34] 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 an incentive for child care providers to improve the quality of their care and the resources to do so. However, this rate differential must be high enough to make it worthwhile for a provider to invest in the improvements necessary to qualify for a higher rate—for example, by adding staff in order to lower child-staff ratios, hiring staff with advanced education in early childhood development, training staff, upgrading facilities, and/or purchasing new equipment and materials. Yet, in the majority of states with tiered rates, the highest rate fell below the 75th percentile of current market rates. In the majority of states with tiered rates, the highest reimbursement rate was also less than 20 percent above the basic rate.

- Thirty-three states paid higher reimbursement rates for higher-quality care in 2009 (*see Table 4d*).[35]

- Fifteen of the thirty-three states with tiered rates in 2009 had two rate levels (including the base level),[36] four states had three levels, seven states had four levels, five states had five levels, and two states had six levels.

- In over half of the thirty-three states with tiered rates in 2009, 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).

- In eighteen of the thirty-three states, the reimbursement rate at the highest quality level was below the 75th percentile of current market rates. This includes six states in which the reimbursement rate at the highest quality level was more than 20 percent lower than the 75th percentile.
- In two of the thirty-three states, the reimbursement rate at the highest quality level was the same as the 75th percentile of current market rates.
- In eleven of the thirty-three states, the reimbursement rate at the highest quality level was higher than the 75th percentile of current market rates. This includes five states in which the reimbursement rate at the highest quality level was at least 10 percent above the 75th percentile.
- Two of the thirty-three states took a different approach and determined a separate 75th percentile of current market rates among child care providers at each quality level. One of these states then reimbursed child care providers at the 75th percentile of current market rates for their quality level. As a result, the reimbursement rate at the highest quality level in this state was above the 75th percentile of current market rates. The other state reimbursed child care providers below the 75th percentile of current market rates for their quality level. As a result, it was not possible to compare the reimbursement rate at the highest quality level in this state to the 75th percentile of current market rates.

- The difference between a state's lowest and highest reimbursement rates for center-based care for a four-year-old ranged from 3 percent to 67 percent in 2009. 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 nine of the thirty-three states, the highest rate was less than 10 percent greater than the lowest rate. In six of these nine states, the highest rate was below the 75th percentile of current market rates.
  - In ten of the thirty-three states, the highest rate was 10 percent to 19 percent greater than the lowest rate. In four of these ten states, the highest rate was below the 75th percentile of current market rates.
  - In seven of the thirty-three 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 seven of the thirty-three states, the highest rate was at least 30 percent greater than the lowest rate. In two of these seven states, the highest rate was below the 75th percentile of current market rates.

Conclusion

As of February 2009, the majority of states had not made cuts in their key child care assistance policies. However, some states had moved backward as of February, and, as their budget shortfalls worsened, some states made cuts in the subsequent months—limiting eligibility, placing more children and families on waiting lists, increasing parent copayments, or reducing reimbursement rates. At the same time, ARRA funding for child care has helped many states avert cuts or expand their programs. Yet, after years of stagnation in funding and policies, many state policies are behind where they were in 2001 and many low-income families remain unable to receive child care assistance, or receive child care assistance that fails to provide sufficient support. It is essential to sustain and increase child care investments to help the many families who are struggling in these difficult economic times gain access to affordable, reliable child care that enables parents to work and children to develop and thrive.

Endnotes

1 National Association of Child Care Resource and Referral Agencies, 2008 Price of Child Care, *available at* http://www.naccrra.org/randd/docs/2008_Price_of_Child_Care.pdf (last visited Apr. 6, 2009).

2 This report uses 2001 policies as the basis for comparison because it best represents peak federal child care funding. See methodology section for further explanation.

3 The federal poverty level for a family of three was $18,310 in 2009. U.S. Department of Health and Human Services, The 2009 HHS Poverty Guidelines, *available at* http://aspe.hhs.gov/poverty/09poverty.shtml (last visited July 9, 2009). The federal poverty level for a family of three was $17,600 in 2008. U.S. Department of Health and Human Services, The 2008 HHS Poverty Guidelines, *available at* http://aspe.hhs.gov/poverty/08poverty.shtml (last visited July 9, 2009).

4 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 (last visited July 9, 2009).

5 Iris J. Lav and Elizabeth McNichol, New Fiscal Year Brings No Relief From Unprecedented State Budget Problems (Washington, DC: Center on Budget and Policy Priorities, 2009), *available at* http://www.cbpp.org/cms/index.cfm?fa=view&id=711 (last visited Sept. 3, 2009); Nicholas Johnson, Phil Oliff, and Jeremy Koulish, An Update on State Budget Cuts: At Least 41 States Have Imposed Cuts That Hurt Vulnerable Residents; Federal Economic Recovery Funds and State Tax Increases Are Reducing the Harm (Washington, DC: Center on Budget and Policy Priorities, 2009), *available at* http://www.cbpp.org/cms/index.cfm?fa=view&id=1214 (last visited Sept. 3, 2009); Iris J. Lav and Elizabeth McNichol, Current and Projected State Deficits: NCSL, NASBO and CBPP (Washington, DC: Center on Budget and Policy Priorities, 2009), *available at* http://www.cbpp.org/cms/index.cfm?fa=view&id=2231 (last visited Sept. 3, 2009); National Conference of State Legislatures, State Budget Update: July 2009 (Washington, DC: National Conference of State Legislatures, 2009), *available at* http://www.ncsl.org/documents/fiscal/StateBudgetUpdateJulyFinal.pdf (last visited Sept. 3, 2009); National Conference of State Legislatures, Initial Actions To Close FY 2009 Budget Gaps (Washington, DC: National Conference of State Legislatures, 2009), *available at* http://www.ncsl.org/documents/fiscal/InitialActionsFY2009.pdf (last visited Sept. 3, 2009).

6 In addition to these four states that explicitly mentioned that they were using their ARRA funds to support the expansion of eligibility for child care assistance for parents searching for work, five other states reported that they revised their eligibility rules to start allowing families to receive child care assistance while looking for work (Arkansas) or to extend the length of time families can receive child care assistance while looking for work (Florida, Illinois, New Hampshire, and New Jersey), but did not indicate whether they were using ARRA funds to support this policy change.

7 In Ohio, a family of three already receiving assistance can still remain eligible up to an income of 200 percent of poverty.

8 As of February 2009, Ohio's income eligibility limit had not yet been updated for the 2009 federal poverty level and was still at 200 percent of the 2008 federal poverty level, or $35,208 a year for a family of three (192 percent of the 2009 federal poverty level).

9 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 (last visited Sept. 15, 2009). This amount includes $2.1 billion in discretionary funding and $2.717 billion in mandatory (entitlement) funding.

10 U.S. Department of Health and Human Services, FY 2006 President's Budget for HHS (Washington, DC: U.S. Department of Health and Human Services, 2005), 88, 93, *available at* http://www.hhs.gov/budget/06budget/FY2006BudgetinBrief.pdf (last visited Sept. 15, 2009). This amount includes $2.083 billion in discretionary funding and $2.717 billion in mandatory (entitlement) funding.

11 U.S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau, FY 2006 CCDF Allocations (Based on Appropriations), *available at* http://www.acf.hhs.gov/programs/ccb/law/allocations/current/state2006/estimated_final_allocations2006.htm (last visited Sept. 15, 2009). This amount includes $2.062 billion in discretionary funding and $2.917 billion in mandatory (entitlement) funding.

12 U.S. Department of Health and Human Services, Fiscal Year 2010 Budget in Brief (Washington, DC: U.S. Department of Health and Human Services, 2009), 76, 81, *available at* http://www.hhs.gov/asrt/ob/docbudget/2010budgetinbrief.pdf (last visited July 8, 2009). This amount includes $2.127 billion in discretionary funding and $2.917 billion in mandatory (entitlement) funding.

13 E-mail from Hannah Matthews, Center for Law and Social Policy, to Karen Schulman, National Women's Law Center, August 3, 2009. Inflation adjustment by the Center for Law and Social Policy (CLASP) based on the Employment Cost Index (ECI) and Consumer Price Index (CPI) for FY 2003-2008 provided to CLASP by the Congressional Budget Office (CBO), and on CBO economic projections for the ECI and CPI in FY 2009, Congressional Budget Office, The Budget and Economic Outlook: Fiscal Years 2009 to 2019 (January 2009) (Washington, DC: Congressional Budget Office, 2009), 45.

14 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://www.acf.hhs.gov/programs/ofs/data/tanf_2000.html (last visited Sept. 15, 2009). Total includes $2.413 billion transferred to the CCDBG, $353 million spent on child care categorized as "assistance," and $1.200 billion spent on child care categorized as "non-assistance."

15 National Women's Law Center analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2006 TANF Financial Data, Table A. Combined Federal Funds Spent in FY 2006, *available at* http://www.acf.hhs.gov/programs/ofs/data/2006/tanf_2006.html (last visited Sept. 15, 2009). Total includes $1.878 billion transferred to the CCDBG, $221 million spent on child care categorized as "assistance," and $1.017 billion spent on child care categorized as "non-assistance."

16 National Women's Law Center analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2007 TANF Financial Data, Table A. Combined Federal Funds Spent in FY 2007, *available at* http://www.acf.hhs.gov/programs/ofs/data/2007/tanf_2007.html (last visited July 9, 2009). Total includes $2.028 billion transferred to the CCDBG, $266 million spent on child care categorized as "assistance," and $902 million spent on child care categorized as "non-assistance."

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 In states that allow localities to set their income eligibility limits within a state-specified range, the maximum of that range was used for the analysis in this section.

19 These twenty-six states include one state in which the income limit increased by just three percentage points, one state in which the income limit increased by one percentage point, three states in which the income limit stayed the same, and twenty-one states in which the income limit decreased by just two to four percentage points relative to the federal poverty level.

20 These seventeen states include three states in which the income limit increased by just two to four percentage points, two states in which the income limit stayed the same, and seven states in which the income limit decreased by just one or two percentage points relative to the federal poverty level. These seventeen states also include five states that set their income limits as a percentage of the federal poverty level and that reported that they would adjust those income limits for the updated federal poverty level later in the year (as they have done in previous years), at which point their income limits would be the same as a percentage of the federal poverty level as in 2001; these adjustments were made in order to compare these states' income limits in 2009 to their income limits in 2001, which were determined after the adjustment for the updated federal poverty level had been made.

21 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/ (last visited Sept. 13, 2009); 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/ (last visited Sept. 13, 2009); 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.epinet.org/briefingpapers/165/bp165.pdf (last visited Sept. 13, 2009).

22 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 Coonerty 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).

23 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.

24 If a state determined its copayment based on the cost of care, this study assumed that the family had a four-year-old in a licensed, non-accredited center charging the state's maximum reimbursement rate.

25 U.S. Census Bureau, Who's Minding the Kids? Child Care Arrangements: Summer 2006, Detailed Tables, Table 6 (2009), *available at* http://www.census.gov/population/socdemo/child/table-2006/tab06.xls (last visited July 21, 2009).

26 For a family of three, 150 percent of the federal poverty level was equal to an income of $27,465 in 2009 and $26,400 in 2008.

27 These eight states do not include 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.

28 In 2001, 150 percent of the federal poverty level was equal to an income of $21,945 for a family of three.

29 Child Care and Development Fund (Preamble to Final Rule), 63 Fed. Reg. 142 (July 24, 1998), *available at* http://www.acf.hhs.gov/programs/ccb/law/finalrul/fr072498.pdf (last visited Sept. 13, 2009).

30 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.

31 States were asked to report data from their most recent market rate survey, and most states reported data from 2007 or more recent surveys. However, six states—Colorado, District of Columbia, Idaho, Massachusetts, New Jersey, and Rhode Island—reported data from 2006. Colorado, District of Columbia, Massachusetts, and New Jersey are included in these eighteen states because their reimbursement rates were 20 percent or more below the 75th percentile of market rates based on their outdated surveys, and so presumably their reimbursement rates would be 20 percent or more below the 75th percentile of current market rates. Idaho and Rhode Island are not included in the eighteen states because their reimbursement rates were less than 20 percent below the 75th percentile of market rates based on their outdated surveys, and thus it is not possible to calculate whether their reimbursement rates were 20 percent or more below the 75th percentile of current market rates.

32 Colorado, District of Columbia, Massachusetts, and New Jersey are included in these nineteen states because their reimbursement rates were 20 percent or more below the 75th percentile of market rates based on their outdated surveys, and so presumably their reimbursement rates would be 20 percent or more below the 75th percentile of current market rates. Idaho and Rhode Island are not included in the nineteen states because their reimbursement rates were less than 20 percent below the 75th percentile of market rates based on their outdated surveys, and thus it is not possible to calculate whether their reimbursement rates were 20 percent or more below the 75th percentile of current market rates.

33 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 rates 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.

34 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.

35 In 2008, thirty states reported having tiered rates. Karen Schulman and Helen Blank, State Child Care Assistance Policies 2008: Too Little Progress for Children and Families (Washington, DC: National Women's Law Center, 2008), 8-9 and 24. The three states that reported having tiered rates in 2009 but not in 2008 are New Hampshire, New York, and Ohio. New Hampshire had bonus payments paid as an annual lump sum in both 2008 and 2009, but only reported this policy in 2009 and not 2008. New York was not counted in 2008 as having tiered rates because although the state allowed localities to pay higher rates to accredited providers, it did not report that any localities were doing so; the state was counted in 2009 because it reported data for localities that were paying higher rates to accredited providers. Ohio provided a higher rate for accredited care in 2008 and 2009, but only reported this policy in 2009 and not 2008. Comparable data on tiered rates were not collected for 2001.

36 These fifteen states include Nevada, which plans to have four tier levels, but so far has only implemented Tier 1 and Tier 4.

Tables

Table 1A: Income Eligibility Limits for a Family of Three 2008 and 2009

	Income limit in 2009			Income limit in 2008			Change in income limit 2008 to 2009		
State	As annual dollar amount	As percent of poverty ($18,310 a year)	As percent of state median income	As annual dollar amount	As percent of poverty ($17,600 a year)	As percent of state median income	As annual dollar amount	As percent of poverty	As percent of state median income
Alabama*	$22,320	122%	44%	$22,320	127%	49%	$0	-5%	-5%
Alaska*	$46,243	253%	77%	$46,243	263%	72%	$0	-10%	5%
Arizona*	$29,052	159%	53%	$28,331	161%	55%	$721	-2%	-2%
Arkansas*	$28,345	155%	65%	$35,724	203%	81%	-$7,379	-48%	-17%
California*	$44,664	244%	71%	$45,228	257%	76%	-$564	-13%	-5%
Colorado*	$22,880-$39,600	125%-216%	36%-62%	$22,320-$38,628	127%-219%	38%-65%	$560-$972	-3%- -2%	-3%- -2%
Connecticut*	$39,405	215%	50%	$38,726	220%	50%	$679	-5%	0%
Delaware	$35,208	192%	54%	$34,344	195%	54%	$864	-3%	0%
District of Columbia*	$40,225	220%	67%	$40,225	229%	95%	$0	-9%	-28%
Florida*	$27,465	150%	50%	$26,400	150%	50%	$1,065	0%	0%
Georgia	$26,560	145%	47%	$26,560	151%	49%	$0	-6%	-2%
Hawaii*	$47,124	257%	66%	$47,124	268%	71%	$0	-10%	-4%
Idaho	$23,184	127%	48%	$20,472	116%	46%	$2,712	10%	1%
Illinois*	$35,208	192%	56%	$31,776	181%	52%	$3,432	12%	3%
Indiana*	$22,356	122%	39%	$21,804	124%	40%	$552	-2%	-1%
Iowa*	$25,524	139%	45%	$24,900	141%	45%	$624	-2%	0%
Kansas*	$32,568	178%	57%	$31,764	180%	58%	$804	-3%	-1%
Kentucky*	$26,400	144%	52%	$25,746	146%	56%	$654	-2%	-4%
Louisiana*	$35,244	192%	70%	$31,836	181%	68%	$3,408	12%	2%
Maine*	$40,006	218%	75%	$40,828	232%	75%	-$822	-13%	0%
Maryland	$29,990	164%	38%	$29,990	170%	40%	$0	-7%	-2%
Massachusetts*	$37,526	205%	50%	$35,876	204%	50%	$1,650	1%	0%
Michigan	$23,880	130%	39%	$23,880	136%	40%	$0	-5%	-1%
Minnesota*	$32,167	176%	47%	$30,048	171%	46%	$2,119	5%	1%
Mississippi	$34,999	191%	79%	$34,999	199%	87%	$0	-8%	-9%
Missouri*	$22,620	124%	43%	$22,032	125%	41%	$588	-2%	1%
Montana*	$26,400	144%	52%	$25,752	146%	55%	$648	-2%	-3%
Nebraska*	$21,120	115%	36%	$20,604	117%	38%	$516	-2%	-1%
Nevada*	$41,640	227%	75%	$38,916	221%	75%	$2,724	6%	0%
New Hampshire*	$44,000	240%	60%	$42,925	244%	63%	$1,075	-4%	-3%
New Jersey*	$35,200	192%	44%	$34,340	195%	45%	$860	-3%	-1%
New Mexico*	$35,200	192%	81%	$28,330	161%	70%	$6,870	31%	11%
New York*	$35,200	192%	55%	$34,340	195%	57%	$860	-3%	-1%
North Carolina*	$36,684	200%	71%	$36,684	208%	73%	$0	-8%	-2%
North Dakota	$29,556	161%	52%	$29,556	168%	59%	$0	-7%	-7%
Ohio	$35,208	192%	61%	$31,764	180%	57%	$3,444	12%	4%
Oklahoma*	$35,100	192%	76%	$35,100	199%	79%	$0	-8%	-3%
Oregon	$33,874	185%	62%	$32,568	185%	63%	$1,306	0%	0%
Pennsylvania*	$35,200	192%	57%	$34,340	195%	60%	$860	-3%	-3%
Rhode Island*	$31,680	173%	48%	$30,906	176%	47%	$774	-3%	1%
South Carolina*	$26,400	144%	53%	$25,755	146%	53%	$645	-2%	0%
South Dakota*	$36,675	200%	69%	$35,775	203%	69%	$900	-3%	-1%
Tennessee	$30,312	166%	60%	$28,668	163%	60%	$1,644	3%	0%
Texas*	$26,400-$42,703	144%-233%	53%-85%	$25,755-$41,063	146%-233%	53%-85%	$645-$1,640	-2%-0%	-1%-0%
Utah*	$31,111	170%	58%	$30,948	176%	64%	$163	-6%	-5%
Vermont	$35,484	194%	62%	$31,032	176%	52%	$4,452	17%	10%
Virginia*	$26,400-$44,000	144%-240%	40%-67%	$25,755-$42,925	146%-244%	40%-66%	$645-$1,075	-4%- -2%	0%-1%
Washington*	$35,208	192%	56%	$34,344	195%	57%	$864	-3%	-1%
West Virginia*	$26,400	144%	56%	$25,764	146%	59%	$636	-2%	-2%
Wisconsin*	$33,876	185%	56%	$31,765	180%	53%	$2,111	5%	2%
Wyoming*	$34,968	191%	58%	$34,176	194%	65%	$792	-3%	-6%

* indicates notes found on pages 18 and 19.

Table 1B: Income Eligibility Limits for a Family of Three 2001 and 2009

State	Income limit in 2009: As annual dollar amount	Income limit in 2009: As percent of poverty ($18,310 a year)	Income limit in 2009: As percent of state median income	Income limit in 2001: As annual dollar amount	Income limit in 2001: As percent of poverty ($14,630 a year)	Income limit in 2001: As percent of state median income	Change in income limit 2001 to 2009: As annual dollar amount	Change in income limit 2001 to 2009: As percent of poverty	Change in income limit 2001 to 2009: As percent of state median income
Alabama*	$22,320	122%	44%	$18,048	123%	41%	$4,272	-1%	3%
Alaska*	$46,243	253%	77%	$44,328	303%	75%	$1,915	-50%	2%
Arizona*	$29,052	159%	53%	$23,364	160%	52%	$5,688	-1%	1%
Arkansas*	$28,345	155%	65%	$23,523	161%	60%	$4,822	-6%	5%
California*	$44,664	244%	71%	$35,100	240%	66%	$9,564	4%	5%
Colorado*	$22,880-$39,600	125%-216%	36%-62%	$19,020-$32,000	130%-219%	36%-61%	$3,860-$7,600	-5%- -2%	0%-2%
Connecticut*	$39,405	215%	50%	$47,586	325%	75%	-$8,181	-110%	-25%
Delaware	$35,208	192%	54%	$29,260	200%	53%	$5,948	-8%	0%
District of Columbia*	$40,225	220%	67%	$34,700	237%	66%	$5,525	-17%	1%
Florida*	$27,465	150%	50%	$20,820	142%	45%	$6,645	8%	6%
Georgia	$26,560	145%	47%	$24,278	166%	50%	$2,282	-21%	-3%
Hawaii*	$47,124	257%	66%	$46,035	315%	83%	$1,089	-57%	-16%
Idaho	$23,184	127%	48%	$20,472	140%	51%	$2,712	-13%	-4%
Illinois*	$35,208	192%	56%	$24,243	166%	43%	$10,965	27%	12%
Indiana*	$22,356	122%	39%	$20,232	138%	41%	$2,124	-16%	-2%
Iowa*	$25,524	139%	45%	$19,812	135%	41%	$5,712	4%	4%
Kansas*	$32,568	178%	57%	$27,060	185%	56%	$5,508	-7%	1%
Kentucky*	$26,400	144%	52%	$24,140	165%	55%	$2,260	-21%	-3%
Louisiana*	$35,244	192%	70%	$29,040	205%	75%	$6,204	-13%	-5%
Maine*	$40,006	218%	75%	$36,452	249%	75%	$3,554	-31%	0%
Maryland	$29,990	164%	38%	$25,140	172%	40%	$4,850	-8%	-2%
Massachusetts*	$37,526	205%	50%	$28,968	198%	48%	$8,558	7%	2%
Michigan	$23,880	130%	39%	$26,064	178%	47%	-$2,184	-48%	-8%
Minnesota*	$32,167	176%	47%	$42,304	289%	76%	-$10,137	-113%	-29%
Mississippi	$34,999	191%	79%	$30,999	212%	77%	$4,000	-21%	2%
Missouri*	$22,620	124%	43%	$17,784	122%	37%	$4,836	2%	5%
Montana*	$26,400	144%	52%	$21,948	150%	51%	$4,452	-6%	1%
Nebraska*	$21,120	115%	36%	$25,260	173%	54%	-$4,140	-57%	-18%
Nevada*	$41,640	227%	75%	$33,420	228%	67%	$8,220	-1%	8%
New Hampshire*	$44,000	240%	60%	$27,797	190%	50%	$16,203	50%	10%
New Jersey*	$35,200	192%	44%	$29,260	200%	46%	$5,940	-8%	-2%
New Mexico*	$35,200	192%	81%	$28,300	193%	75%	$6,900	-1%	6%
New York*	$35,200	192%	55%	$28,644	202%	61%	$6,556	-10%	-6%
North Carolina*	$36,684	200%	71%	$32,628	223%	69%	$4,056	-23%	2%
North Dakota	$29,556	161%	52%	$29,556	202%	69%	$0	-41%	-17%
Ohio	$35,208	192%	61%	$27,066	185%	57%	$8,142	7%	4%
Oklahoma*	$35,100	192%	76%	$29,040	198%	66%	$6,060	-7%	10%
Oregon	$33,874	185%	62%	$27,060	185%	60%	$6,814	0%	2%
Pennsylvania*	$35,200	192%	57%	$29,260	200%	58%	$5,940	-8%	-2%
Rhode Island*	$31,680	173%	48%	$32,918	225%	61%	-$1,238	-52%	-12%
South Carolina*	$26,400	144%	53%	$21,225	145%	45%	$5,175	-1%	8%
South Dakota*	$36,675	200%	69%	$22,826	156%	52%	$13,849	44%	17%
Tennessee	$30,312	166%	60%	$24,324	166%	56%	$5,988	-1%	4%
Texas*	$26,400-$42,703	144%-233%	53%-85%	$21,228-$36,516	145%-250%	47%-82%	$5,172-$6,187	-16%- -1%	3%-5%
Utah*	$31,111	170%	58%	$27,048	185%	56%	$4,063	-15%	2%
Vermont	$35,484	194%	62%	$31,032	212%	64%	$4,452	-18%	-2%
Virginia*	$26,400-$44,000	144%-240%	40%-67%	$21,948-$27,060	150%-185%	41%-50%	$4,452-$16,940	-6%-55%	-1%-17%
Washington*	$35,208	192%	56%	$32,916	225%	63%	$2,292	-33%	-7%
West Virginia*	$26,400	144%	56%	$28,296	193%	75%	-$1,896	-49%	-18%
Wisconsin*	$33,876	185%	56%	$27,060	185%	51%	$6,816	0%	5%
Wyoming*	$34,968	191%	58%	$21,948	150%	47%	$13,020	41%	11%

* indicates notes found on pages 18 and 19.

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.

Alabama: In 2001, families already receiving assistance could continue doing so until their income reached $27,756. In 2008, the exit eligibility limit was $34,344 and in 2009, it was $25,752. As of October 2009, the income limit to qualify for assistance will be increased to $23,808 (130 percent of poverty) to adjust for the 2009 federal poverty level.

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 2009, the income limit was increased to $30,216 (165 percent of poverty) to adjust for the 2009 federal poverty level.

Arkansas: The income limits shown in the table take into account a $100-per-month deduction ($1,200 a year) that is allowed for an adult household member who works at least 30 hours per week. It is assumed there is one working parent. The stated income limits, in policy, were $22,323 in 2001, $34,524 in 2008, and $27,145 in 2009.

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 2008 and 2009.

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 initial income eligibility limit for up to six months, if their income remains below 85 percent of the state median income ($50,194 in 2008 and $50,484 in 2009). As of April 2009, the state increased the minimum income at which a county could set its income limit to qualify for assistance to $23,808 (130 percent of poverty) to adjust for the 2009 federal poverty level, and began allowing counties to set the maximum income at which families could qualify for assistance as high as 85 percent of median income ($54,103 as of April 2009, when the state adjusted the limit for the 2009 state median income estimate).

Connecticut: In 2008, families already receiving assistance could continue doing so until their income reached $58,089. In 2009, the exit eligibility limit was $59,107. As of July 2009, the income limit to qualify for assistance was increased to $41,037, and the exit eligibility limit was increased to $61,556 to adjust for the 2009 state median income estimate.

District of Columbia: In 2001, families already receiving assistance could continue doing so until their income reached $41,640. In 2008 and 2009, the exit eligibility limit was $48,270. Also note that as of October 2009, the income limit to qualify for assistance will be increased to $42,925.

Florida: In 2008, families already receiving assistance could continue doing so until their income reached $35,200. In 2009, the exit eligibility limit was $36,620.

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 2008 or 2009.

Illinois: As of July 2009, the income limit was increased to $36,624 (200 percent of poverty) to adjust for the 2009 federal poverty level. Also note that 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 2008 or 2009.

Indiana: In 2008, families already receiving assistance could continue doing so until their income reached $29,184. In 2009, the exit eligibility limit was $29,916. As of May 2009, the income limit to qualify for assistance was increased to $23,256 (127 percent of poverty) to adjust for the 2009 federal poverty level.

Iowa: For special needs care, the income limit was $34,340 in 2008 and $35,200 in 2009. Also note as of July 2009, the standard income limit was increased to $26,556 (145 percent of poverty), and the income limit for special needs care was increased to $36,620 (200 percent of poverty) to adjust for the 2009 federal poverty level.

Kansas: As of May 2009, the income limit was increased to $33,876 (185 percent of poverty) to adjust for the 2009 federal poverty level.

Kentucky: In 2008, families already receiving assistance could continue doing so until their income reached $28,344. In 2009, the exit eligibility limit was $29,040. As of April 1, 2009, the income limit to qualify for assistance was increased to $27,465 (150 percent of poverty), and the exit eligibility limit was increased to $30,212 (165 percent of poverty) to adjust for the 2009 federal poverty level.

Louisiana: As of May 2009, the income limit was increased to $37,896 to adjust for the 2009 state median income estimate. 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: In 2008, families already receiving assistance could continue doing so until their income reached $46,271. In 2009, the exit eligibility limit was $45,340. The state began using a separate exit eligibility limit in October 2007. As of October 2009, the income limit to qualify for assistance will be increased to $45,775 (250 percent of poverty).

Massachusetts: In 2001, families already receiving assistance could continue doing so until their income reached $49,248. In 2008, the exit eligibility limit was $60,990 and in 2009, it was $63,794. Also note that, for special needs care, the income limit to qualify for assistance was $63,794 and the exit eligibility limit was $75,052 in 2009. As of July 2009, the standard income limit to qualify for assistance was increased to $39,208 ($66,653 for special needs care), and the standard exit eligibility limit was increased to $66,653 ($78,415 for special needs care) to adjust for the 2009 state median income estimate.

Minnesota: In 2008, families already receiving assistance could continue doing so until their income reached $42,925. In 2009, the exit eligibility limit was $45,855.

Missouri: As of July 1, 2008, the state instituted a separate exit eligibility limit that allowed families already receiving assistance to remain eligible with an income up to $24,464. In 2009, the exit eligibility limit was $24,756.

Montana: As of June 2009, the income limit was increased to $27,468 (150 percent of poverty) to adjust for the 2009 federal poverty level.

Nebraska: For a family transitioning from TANF, the income limit was $31,764 in 2008 and $32,568 in 2009. As of July 2009, the standard income limit was increased to $21,972 (120 percent of poverty), and the income limit for families transitioning from TANF was increased to $33,876 (185 percent of poverty) to adjust for the 2009 federal poverty level.

Nevada: As of October 2009, the income limit will be increased to $43,248 to adjust for the 2009 state median income estimate.

New Hampshire: As of July 2009, the income limit was increased to $45,775 (250 percent of poverty) to adjust for the 2009 federal poverty level.

New Jersey: In 2001, families already receiving assistance could continue doing so until their annual income reached $36,575. In 2008, the exit eligibility limit was $42,925 and in 2009, it was $44,000. As of October 2009, the income limit to qualify for assistance will be increased to $36,620 (200 percent of poverty), and the exit eligibility limit will be increased to $45,775 (250 percent of poverty) to adjust for the 2009 federal poverty level.

New Mexico: For a period of time following August 1, 2001, the state lowered its income limit 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 income limit. Also note that in 2008, families already receiving assistance could continue doing so until their annual income reached $34,340. In 2009, the state no longer had a separate exit eligibility limit. As of April 2009, the income limit to qualify for assistance was increased to $36,620 (200 percent of poverty) to adjust for the 2009 federal poverty level.

New York: A few small demonstration projects set the income limit at $44,880 in 2009. Also note that as of June 2009, the income limit for the main child care assistance program was increased to $36,620 (200 percent of poverty) to adjust for the 2009 federal poverty level. In addition, data on the state's policies as of 2001 are not available, so data on policies as of March 15, 2000 are used instead.

North Carolina: As of August 2009, the income limit was increased to $37,476 to adjust for the 2008 state median income estimate.

Oklahoma: The income limit depends on how many children are in 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 2008 and 2009.

Pennsylvania: In 2001, families already receiving assistance could continue doing so until their annual income reached $34,381. In 2008, the exit eligibility limit was $40,350 and in 2009, it was $41,360. As of May 2009, the income limit to qualify for assistance was increased to $36,620 (200 percent of poverty), and the exit eligibility limit was increased to $43,029 (235 percent of poverty) to adjust for the 2009 federal poverty level.

Rhode Island: As of March 2009, the income limit was increased to $32,958 (180 percent of poverty) to adjust for the 2009 federal poverty level.

South Carolina: In 2001, families already receiving assistance could continue doing so until their annual income reached $24,763. In 2008, the exit eligibility limit was $30,048 and in 2009, it was $30,800. As of October 2009, the income limit to qualify for assistance will be increased to $27,465 (150 percent of poverty), and the exit eligibility limit will be increased to $32,043 (175 percent of poverty) to adjust for the 2009 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, $34,344 in 2008, and $35,208 in 2009. As of March 2009, the state increased its stated income limit to $36,624 (200 percent of poverty) to adjust for the 2009 federal poverty level.

Texas: Local 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. As of October 2009, the maximum income at which local boards can set their eligibility limits will increase to $44,524 to adjust for the 2010 state median income estimate.

Utah: The income limits shown in the table take into account a monthly standard deduction of $100 ($1,200 a year) for each working parent, assuming there is one working parent in the family. The stated income limits, in policy, were $25,848 in 2001, $29,748 in 2008, and $29,911 in 2009. The state allows a deduction of $100 per month for the household for medical expenses as well. Also note that in 2009, families already receiving assistance could remain eligible up to a stated income limit of $37,388. The state began using a separate exit eligibility limit in July 2008. In 2009, the income limit to qualify for special needs care was $45,396.

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 2008, the state had four separate regional income limits: $25,755, $27,472, $31,765, and $42,925. In 2009, the state also had four separate regional income limits: $26,400, $28,164, $32,568, and $44,000. The state will adjust its income limits for the 2009 federal poverty level as of October; the new regional income limits will be: $27,468 (150 percent of poverty), $29,304 (160 percent of poverty), $33,876 (185 percent of poverty), and $45,780 (250 percent of poverty).

Washington: As of April 2009, the income limit was increased to $36,624 (200 percent of poverty) to adjust for the 2009 federal poverty level.

West Virginia: In 2008, families already receiving assistance could continue doing so until their income reached $31,764. In 2009, the exit eligibility limit was $32,556.

Wisconsin: In 2001, families already receiving assistance could continue doing so until their annual income reached $29,256. In 2008, the exit eligibility limit was $34,340 and in 2009, it was $36,624.

Wyoming: The income limits shown in the table for 2008 and 2009 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 $31,776 in 2008 and $32,568 in 2009. Also note that, in 2001, families already receiving assistance could continue doing so until their annual income reached $27,060. In 2008, the stated exit eligibility limit was $34,344, and in 2009, it was $35,200. As of April 1, 2009, the stated income limit to qualify for assistance was increased to $33,876 (185 percent of poverty), and the exit eligibility limit was increased to $36,620 (200 percent of poverty) to adjust for the 2009 federal poverty level.

Table 2: Waiting Lists for Child Care Assistance

State	Number of children or families on waiting lists as of early 2009	Number of children or families on waiting lists as of early 2008	Number of children or families on waiting lists as of December 2001
Alabama*	9,682 children	10,131 children	5,089 children
Alaska	No waiting list	No waiting list	588 children
Arizona	178 children	No waiting list	No waiting list
Arkansas	3,001 children / 2,152 families	4,983 families	8,000 children
California*	220,069 children	204,063 children	280,000 children (estimated)
Colorado*	No waiting list	No waiting list	Waiting lists at county level
Connecticut	No waiting list	No waiting list	Frozen intake
Delaware	No waiting list	No waiting list	No waiting list
District of Columbia*	No waiting list	No waiting list	9,124 children
Florida*	57,671 children	47,603 children	46,800 children
Georgia*	2,992 children / 1,663 families	10,268 families	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*	9,629 children	4,788 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	867 children	1,100 children	2,000 children
Maryland	No waiting list	No waiting list	No waiting list
Massachusetts	20,694 children	17,840 children	18,000 children
Michigan	No waiting list	No waiting list	No waiting list
Minnesota*	7,787 families	3,785 families	4,735 children
Mississippi	6,667 children	7,455 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*	3,035 children	No waiting list	No waiting list
New Hampshire	No waiting list	No waiting list	No waiting list
New Jersey*	6,185 children	3,094 children	9,800 children
New Mexico	No waiting list	No waiting list	No waiting list
New York*	Waiting lists at county level	Waiting lists at county level	Waiting lists at county level
North Carolina	23,288 children	27,153 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	No waiting list	No waiting list	No waiting list
Pennsylvania	15,446 children	8,424 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*	25,049 children	22,369 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*	8,157 children	7,184 children	4,255 children
Washington	No waiting list	No waiting list	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

* indicates notes found on page 21.

Notes for Table 2: Waiting Lists for Child Care Assistance

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

California: The waiting list total reported for 2001 is an estimated figure. The waiting list total reported for 2009 reflects data as of September 30, 2008.

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. No counties had waiting lists in February 2008 or February 2009.

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.

Florida: The waiting list total for 2009 is from April of that year.

Georgia: The waiting list total for 2008 is from January of that year.

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

Minnesota: The waiting list totals for 2008 and 2009 are from January for each year.

Nevada: The waiting list went into effect as of July 1, 2008.

New Jersey: Data for 2001 are not available, so data from March 2002 are used instead. The waiting list total for 2008 is as of May of that year.

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

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 figure for 2001 represents the number of children on the waiting list when intake was closed. The state did not provide a similar number for 2008 or 2009, when intake was also frozen. The state only provides child care assistance to families with a connection to the TANF program, teenage parents in school, and caretakers in TANF child-only cases who are employed full time.

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.

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

Table 3A: Parent Copayments for a Family of Three with an Income at 150 Percent of Poverty and One Child in Care

State	Monthly fee in 2009: As a dollar amount	Monthly fee in 2009: As a percent of income	Monthly fee in 2008: As a dollar amount	Monthly fee in 2008: As a percent of income	Monthly fee in 2001: As a dollar amount	Monthly fee in 2001: As a percent of income	Change 2008 to 2009: In dollar amount	Change 2008 to 2009: In percent of income	Change 2001 to 2009: In dollar amount	Change 2001 to 2009: In percent of income
Alabama	Not eligible	Not eligible	$184	8%	$215	12%	N/A	N/A	N/A	N/A
Alaska	$67	3%	$61	3%	$71	4%	$6	0%	-$4	-1%
Arizona	$217	9%	$152	7%	$217	12%	$65	3%	-$1	-2%
Arkansas*	$407	18%	$102	5%	$224	12%	$305	13%	$183	6%
California	$87	4%	$76	3%	$0	0%	$11	0%	$87	4%
Colorado	$253	11%	$242	11%	$185	10%	$11	0%	$68	1%
Connecticut	$137	6%	$132	6%	$110	6%	$5	0%	$27	0%
Delaware	$229	10%	$220	10%	$159	9%	$10	0%	$70	1%
District of Columbia	$124	5%	$118	5%	$91	5%	$6	0%	$33	0%
Florida*	$173	8%	$120	5%	$104	6%	$54	2%	$69	2%
Georgia	Not eligible	Not eligible	$178	8%	$139	8%	N/A	N/A	N/A	N/A
Hawaii	$68	3%	$50	2%	$38	2%	$18	1%	$30	1%
Idaho	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	N/A	N/A	N/A	N/A
Illinois	$186	8%	$160	7%	$134	7%	$26	1%	$52	1%
Indiana*	$207	9%	$198	9%	$154	8%	$9	0%	$53	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	$242	11%	$253	12%	$177	10%	-$11	-1%	$65	1%
Louisiana*	$231	10%	$231	11%	$114	6%	$0	0%	$117	4%
Maine	$228	10%	$218	10%	$183	10%	$10	0%	$45	0%
Maryland*	$313	14%	$300	14%	$236	13%	$13	0%	$77	1%
Massachusetts	$195	9%	$196	9%	$160	9%	-$1	0%	$35	0%
Michigan	Not eligible	Not eligible	Not eligible	Not eligible	$24	1%	N/A	N/A	N/A	N/A
Minnesota	$75	3%	$71	3%	$53	3%	$4	0%	$22	0%
Mississippi*	$155	7%	$147	7%	$105	6%	$8	0%	$50	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	$202	9%	$202	9%	$281	15%	$0	0%	-$79	-7%
New Hampshire	$214	9%	$2	<1%	$2	<1%	$212	9%	$212	9%
New Jersey	$111	5%	$106	5%	$133	7%	$4	0%	-$23	-2%
New Mexico	$144	6%	$135	6%	$115	6%	$9	0%	$29	0%
New York*	$288	13%	$269	12%	$191	10%	$19	0%	$97	2%
North Carolina	$229	10%	$220	10%	$159	9%	$9	0%	$70	1%
North Dakota	$336	15%	$336	15%	$293	16%	$0	-1%	$43	-1%
Ohio	$205	9%	$194	9%	$88	5%	$11	0%	$117	4%
Oklahoma	$189	8%	$179	8%	$146	8%	$10	0%	$43	0%
Oregon	$334	15%	$307	14%	$319	17%	$27	1%	$15	-3%
Pennsylvania	$173	8%	$173	8%	$152	8%	$0	0%	$21	-1%
Rhode Island	$183	8%	$176	8%	$19	1%	$7	0%	$164	7%
South Carolina	$87	4%	$87	4%	$77	4%	$0	0%	$10	0%
South Dakota	$343	15%	$330	15%	$365	20%	$13	0%	-$22	-5%
Tennessee	$186	8%	$191	9%	$112	6%	-$4	-1%	$74	2%
Texas*	$205-$251	9%-11%	$198-$242	9%-11%	$165-$256	9%-14%	$7-$9	0%	-$5-$40	-3%-0%
Utah	$216	9%	$150	7%	$220	12%	$66	3%	-$4	-3%
Vermont	$272	12%	$321	15%	$123	7%	-$49	-3%	$149	5%
Virginia	$228	10%	$220	10%	$183	10%	$8	0%	$45	0%
Washington	$170	7%	$152	7%	$87	5%	$18	0%	$83	3%
West Virginia	$54	2%	$114	5%	$54	3%	-$60	-3%	$0	-1%
Wisconsin	$204	9%	$212	10%	$160	9%	-$9	-1%	$44	0%
Wyoming	$68	3%	$68	3%	$98	5%	$0	0%	-$30	-2%

* indicates notes found on page 24.

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 2009		Monthly fee in 2008		Monthly fee in 2001		Change 2008 to 2009		Change 2001 to 2009	
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	$78	5%	$65	4%	$65	5%	$13	1%	$13	0%
Alaska	$15	1%	$15	1%	$14	1%	$0	0%	$1	0%
Arizona	$65	4%	$65	4%	$65	5%	$0	0%	$0	-1%
Arkansas*	$102	7%	$0	0%	$0	0%	$102	7%	$102	7%
California	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Colorado	$155	10%	$150	10%	$113	9%	$5	0%	$42	1%
Connecticut	$61	4%	$59	4%	$49	4%	$2	0%	$12	0%
Delaware	$100	7%	$100	7%	$55	5%	$0	0%	$45	2%
District of Columbia	$49	3%	$44	3%	$32	3%	$5	0%	$17	1%
Florida*	$106	7%	$90	6%	$69	6%	$17	1%	$37	1%
Georgia	$130	9%	$130	9%	$21	2%	$0	0%	$109	7%
Hawaii	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Idaho	$153	10%	$153	10%	$65	5%	$0	0%	$88	5%
Illinois	$87	6%	$87	6%	$65	5%	$0	0%	$22	0%
Indiana*	$77	5%	$74	5%	$0	0%	$3	0%	$77	5%
Iowa*	$20	1%	$9	1%	$22	2%	$11	1%	-$2	-1%
Kansas	$58	4%	$58	4%	$22	2%	$0	0%	$36	2%
Kentucky	$132	9%	$121	8%	$97	8%	$11	0%	$35	1%
Louisiana*	$154	10%	$154	11%	$49	4%	$0	0%	$105	6%
Maine	$122	8%	$116	8%	$97	8%	$6	0%	$25	0%
Maryland*	$200	13%	$156	11%	$90	7%	$44	2%	$110	6%
Massachusetts	$119	8%	$119	8%	$40	3%	$0	0%	$79	5%
Michigan	$23	1%	$22	2%	$24	2%	$0	0%	-$1	0%
Minnesota	$41	3%	$39	3%	$5	<1%	$2	0%	$36	2%
Mississippi*	$80	5%	$72	5%	$47	4%	$8	0%	$33	1%
Missouri	$110	7%	$88	6%	$43	4%	$22	1%	$67	4%
Montana	$61	4%	$59	4%	$49	4%	$2	0%	$12	0%
Nebraska	$58	4%	$57	4%	$30	2%	$1	0%	$28	1%
Nevada	$51	3%	$51	3%	$0	0%	$0	0%	$51	3%
New Hampshire	$139	9%	$1	<1%	$0	0%	$137	9%	$139	9%
New Jersey	$77	5%	$77	5%	$71	6%	$0	0%	$6	-1%
New Mexico	$64	4%	$61	4%	$47	4%	$3	0%	$17	0%
New York*	$21	1%	$13	1%	$4	<1%	$8	0%	$17	1%
North Carolina	$153	10%	$147	10%	$106	9%	$6	0%	$47	1%
North Dakota	$252	17%	$189	13%	$158	13%	$63	4%	$94	4%
Ohio	$108	7%	$105	7%	$43	4%	$3	0%	$65	4%
Oklahoma	$120	8%	$105	7%	$54	4%	$15	1%	$66	3%
Oregon	$125	8%	$114	8%	$90	7%	$11	0%	$35	1%
Pennsylvania	$87	6%	$87	6%	$65	5%	$0	0%	$22	0%
Rhode Island	$31	2%	$29	2%	$0	0%	$1	0%	$31	2%
South Carolina	$61	4%	$61	4%	$43	4%	$0	0%	$18	0%
South Dakota	$10	1%	$10	1%	$0	0%	$0	0%	$10	1%
Tennessee	$87	6%	$82	6%	$39	3%	$4	0%	$48	2%
Texas*	$137-$167	9%-11%	$132-$161	9%-11%	$109-$170	9%-14%	$5-$6	0%	-$3-$28	-3%-0%
Utah	$14	1%	$10	1%	$36	3%	$4	0%	-$22	-2%
Vermont	$74	5%	$74	5%	$0	0%	$0	0%	$74	5%
Virginia	$152	10%	$147	10%	$122	10%	$5	0%	$30	0%
Washington	$50	3%	$50	3%	$20	2%	$0	0%	$30	2%
West Virginia	$38	2%	$81	6%	$27	2%	-$43	-3%	$11	0%
Wisconsin	$78	5%	$95	6%	$61	5%	-$17	-1%	$17	0%
Wyoming	$10	1%	$10	1%	$10	1%	$0	0%	$0	0%

* indicates notes found on page 24.

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, $17,600 a year in 2008, and $18,310 a year in 2009.

For a family of three, an income at 150 percent of poverty was equal to $21,945 a year in 2001, $26,400 a year in 2008, and $27,465 a year in 2009.

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.

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

Arkansas: The state determines copayments based on the cost of care.

Florida: Local 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 in 2008 would have been $174 per month, and in 2009, it would have been $185 per month. A family of three with an income at 100 percent of poverty that is using special needs care would have the same copayment as a family using basic care. Also note that no copayment is assessed for families with incomes under 100 percent of poverty.

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 Supplemental Security Income (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. In 2008, this family's copayment would have been $171 per month and in 2009, it would have been $176 per month.

New York: Data are not available for June 2001, so data from March 2000 are used instead. Also note that 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. In New York City, copayments are capped at 10 percent of income.

Texas: Local workforce 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.

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Table 4A: State Reimbursement Rates 2009

State	State reimbursement rates compared to market rates	Year when rates last updated	If state rate is lower than rate provider charges, is provider allowed to charge parents the difference?
Alabama	10th-42nd percentile of 2007 rates	2007	Yes
Alaska	50th percentile of 2007 rates	2008	Yes
Arizona*	75th percentile of 2000 rates plus 5%	2007	Yes
Arkansas*	75th percentile of 2007 rates	2007	Yes, for quality accredited
California	85th percentile of 2005 rates	2006	Yes
Colorado*	Locally determined	Varies by locality	No
Connecticut	60th percentile of 2001 rates	2002	Yes
Delaware*	57-74% of the 75th percentile of 2007 rates	2006	Yes
District of Columbia	Below the 75th percentile of 2006 rates	2006	No
Florida*	Locally determined	2009	Yes
Georgia	50th percentile of 2005 rates	2006	Yes
Hawaii*	75th/100th percentile of 2007 rates	2008	Yes
Idaho	75th percentile of 2001 rates	2001	Yes
Illinois*	25th-100th percentile of 2008 rates	2008	Yes, unless contracted
Indiana	75th percentile of 2007 rates	2007	Yes
Iowa	75th percentile of 2004 rates plus 2%	2008	No
Kansas	65th percentile of 2000 rates	2002	Yes
Kentucky	68th percentile of 2005 rates	2006	Yes
Louisiana*	Below the 75th percentile of 2007 rates (except school-based)	2007	Yes
Maine	75th percentile of 2008 rates	2008	No
Maryland	45th percentile of 2005 rates	2007	Yes
Massachusetts*	20th-75th percentile of 2006 rates	2007	No
Michigan*	39th-57th percentile of 2007 rates	2008	Yes
Minnesota*	38th-52nd percentile of 2008 rates	2006	Yes
Mississippi	Below the 75th percentile of 2007 rates	2007	Yes
Missouri*	33rd percentile of 2008 rates	2008	Yes
Montana	75th percentile of 2008 rates	2008	Yes
Nebraska	60th-75th percentile of 2007 rates	2007	No
Nevada	70th percentile of 2004 rates	2004	Yes
New Hampshire	38th percentile of 2005 rates	2008	Yes
New Jersey*	Below the 75th percentile of 2006 rates	2008	Yes, unless contracted
New Mexico	53-92% of the 75th percentile of 2007 rates	2007	No
New York	75th percentile of 2007 rates	2007	Yes
North Carolina*	Below the 75th percentile of 2007 rates	2007	Yes
North Dakota*	Below the 75th percentile of 2007 rates	2007	Yes
Ohio	65th percentile of 2006 rates	2007	No
Oklahoma*	Below the 75th percentile of 2008 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 rates, plus increase	2008	No
South Carolina*	75th percentile of 2007 rates	2007	Yes
South Dakota	75th percentile of 2007 rates	2007	Yes
Tennessee*	32nd-52nd percentile of 2008 rates	2008	Yes
Texas*	22nd-71st percentile of 2008 rates	Varies by locality	Yes
Utah	75th percentile of 2006 rates	2007	Yes
Vermont	41st percentile of 2008 rates	2007	Yes
Virginia*	25th-40th percentile of 2008 rates	2004	Yes
Washington*	17th-86th percentile of 2008 rates	2008	No
West Virginia*	45th-90th percentile of 2006 rates	2007	No
Wisconsin	75th percentile of 2005 rates	2006	Yes
Wyoming	75th percentile of 2008 rates	2008	Yes

* indicates notes found on pages 29 and 30.

Table 4B: State Reimbursement Rates Compared to the 75th Percentile of Current Market Rates 2009, 2008, and 2001

	Rates equal to or above the 75th percentile of current market rates....		
State	**In 2009?**	**In 2008?**	**In 2001?**
Alabama	No	No	Yes
Alaska	No	No	No
Arizona	No	No	No
Arkansas	Yes	Yes	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	Yes	No	No
Idaho	No	No	Yes
Illinois*	No	No	No
Indiana	Yes	Yes	Yes
Iowa	No	No	No
Kansas	No	No	No
Kentucky	No	No	Yes
Louisiana*	No	No	Yes
Maine	Yes	Yes	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*	Yes	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	Yes	No
Pennsylvania*	No	No	No
Rhode Island	No	No	Yes
South Carolina*	Yes	Yes	No
South Dakota	Yes	Yes	Yes
Tennessee	No	No	No
Texas*	No	No	Yes
Utah	No	Yes	No
Vermont	No	No	No
Virginia	No	No	No
Washington*	No	No	No
West Virginia*	No	No	Yes
Wisconsin	No	No	Yes
Wyoming	Yes	Yes	Yes

* indicates notes found on pages 29 and 30.

Table 4C: State Reimbursement Rate Amount in 2009 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 reimbursement 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 reimbursement 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	$429	$498	2007	-$69	-14%	$455	$541	2007	-$87	-16%
Alaska	Anchorage	$645	$699	2007	-$54	-8%	$790	$803	2007	-$13	-2%
Arizona	Maricopa County-Greater Phoenix Metro Area	$541	$780	2008	-$239	-31%	$605	$901	2008	-$297	-33%
Arkansas	Little Rock/Pulaski County	$457	$457	2007	$0	0%	$552	$552	2007	$0	0%
California	Los Angeles County	$744	$787	2007	-$44	-6%	$1,029	$1,228	2007	-$199	-16%
Colorado	Denver County	$578	$744	2006	-$166	-22%	$721	$898	2006	-$178	-20%
Connecticut	North Central Region	$645	$728	2007	-$83	-11%	$813	$902	2007	-$89	-10%
Delaware	New Castle	$478	$758	2007	-$280	-37%	$539	$909	2007	-$370	-41%
District of Columbia	Citywide	$632	$1,121	2006	-$488	-44%	$862	$1,295	2006	-$433	-33%
Florida	Miami-Dade	$403	$541	2009	-$139	-26%	$442	$650	2009	-$208	-32%
Georgia*	Zone 1 (Large Urban and Suburban Areas)	$494	$693	2009	-$199	-29%	$602	$814	2009	-$212	-26%
Hawaii	Statewide	$675	$675	2007	$0	0%	$1,395	$1,046	2007	$349	33%
Idaho*	Boise Metro Area (Region IV)	$492	$602	2006	-$110	-18%	$594	$667	2006	-$73	-11%
Illinois*	Metropolitan Region (Group 1A)	$617	$922	2008	-$305	-33%	$877	$1,199	2008	-$323	-27%
Indiana	Marion County	$693	$693	2007	$0	0%	$944	$944	2007	$0	0%
Iowa*	Statewide	$561	$660	2008	-$99	-15%	$696	$774	2008	-$79	-10%
Kansas	Sedgwick County	$444	$567	2008	-$123	-22%	$661	$777	2008	-$117	-15%
Kentucky	Central Region	$473	$520	2007	-$47	-9%	$540	$541	2007	-$1	0%
Louisiana	Statewide	$385	$421	2007	-$36	-9%	$407	$477	2007	-$70	-15%
Maine	Cumberland	$805	$805	2008	$0	0%	$996	$996	2008	$0	0%
Maryland*	Region W	$511	$758	2009	-$247	-33%	$823	$1,101	2009	-$278	-25%
Massachusetts	Greater Boston (Region 6)	$795	$1,015	2006	-$220	-22%	$1,181	$1,695	2006	-$514	-30%
Michigan*	Shelter Area IV	$455	$974	2009	-$519	-53%	$678	$1,364	2009	-$686	-50%
Minnesota	Hennepin County	$859	$1,022	2008	-$163	-16%	$1,154	$1,386	2008	-$232	-17%
Mississippi	Statewide	$312	$338	2007	-$26	-8%	$339	$380	2007	-$41	-11%
Missouri	St. Louis Metropolitan Area	$348	$880	2008	-$532	-60%	$596	$990	2008	-$394	-40%
Montana	Billings Region	$541	$541	2008	$0	0%	$628	$628	2008	$0	0%
Nebraska	Lancaster, Dakota, Douglas, Sarpy Counties	$622	$693	2008	-$70	-10%	$736	$866	2008	-$130	-15%
Nevada	Clark County	$506	$808	2008	-$302	-37%	$616	$858	2008	-$242	-28%
New Hampshire	Manchester	$591	$714	2007	-$123	-17%	$666	$888	2007	-$222	-25%
New Jersey	Statewide	$573	$784	2006	-$211	-27%	$695	$1,051	2006	-$355	-34%
New Mexico	Metropolitan Areas	$440	$607	2007	-$167	-28%	$521	$662	2007	-$141	-21%
New York	New York City	$970	$970	2007	$0	0%	$1,602	$1,602	2007	$0	0%
North Carolina*	Mecklenburg County	$670	$795	2007	-$125	-16%	$737	$910	2007	-$173	-19%
North Dakota	Statewide	$420	$506	2007	-$86	-17%	$460	$565	2007	-$105	-19%
Ohio	Category Six (Larger Metro Areas)	$690	$815	2008	-$124	-15%	$926	$1,038	2008	-$112	-11%
Oklahoma*	Enhanced Area (Metro) Counties	$438	$476	2008	-$38	-8%	$601	$606	2008	-$5	-1%
Oregon*	Region A	$705	$800	2008	-$95	-12%	$894	$987	2008	-$93	-9%
Pennsylvania	Philadelphia	$714	$736	2007	-$22	-3%	$888	$888	2007	$0	0%
Rhode Island	Statewide	$680	$758	2006	-$78	-10%	$814	$918	2006	-$104	-11%
South Carolina*	Statewide Urban Counties	$455	$455	2007	$0	0%	$507	$507	2007	$0	0%
South Dakota	Minnehaha County/Sioux Falls	$585	$585	2007	$0	0%	$683	$683	2007	$0	0%
Tennessee*	Top 21 Counties	$515	$563	2008	-$48	-8%	$598	$628	2008	-$30	-5%
Texas	Gulf Coast Workforce Development Area	$426	$852	2008	-$427	-50%	$499	$938	2008	-$439	-47%
Utah	Statewide	$450	$516	2008	-$66	-13%	$564	$710	2008	-$146	-21%
Vermont	Statewide	$494	$737	2008	-$243	-33%	$560	$779	2008	-$220	-28%
Virginia	Fairfax City/Fairfax County/Falls Church	$827	N/A	N/A	N/A	N/A	$1,005	N/A	N/A	N/A	N/A
Washington	Seattle	$673	$969	2008	-$296	-31%	$961	$1,365	2008	-$404	-30%
West Virginia	Statewide	$380	$460	2008	-$80	-17%	$500	$560	2008	-$60	-11%
Wisconsin	Milwaukee	$779	$836	2007	-$56	-7%	$1,005	$1,083	2007	-$78	-7%
Wyoming	Statewide	$540	$540	2008	$0	0%	$603	$603	2008	$0	0%

* indicates notes found on pages 29 and 30.

Table 4D: State Tiered Reimbursement Rates for Center Care for a Four-Year-Old in 2009

State	City/county/region*	Number of tier levels (including base rate)	Reimbursement rate for lowest tier	Reimbursement 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-Greater Phoenix Metro Area	2	$541	$595	N/A	$54	10%	$780	-$185	-24%
Arkansas										
California										
Colorado	Denver County	6	$578	$773	$619, $643, $706, $740	$196	34%	$744	$30	4%
Connecticut	North Central Region	2	$645	$677	N/A	$32	5%	$728	-$51	-7%
Delaware										
District of Columbia	Citywide	3	$632	$909	$771	$277	44%	$1,121	-$212	-19%
Florida*	Miami-Dade	2	$403	$484	N/A	$81	20%	$541	-$57	-11%
Georgia										
Hawaii*	Statewide	2	$675	$710	N/A	$35	5%	$675	$35	5%
Idaho										
Illinois*	Metropolitan Region (Group 1A)	5	$617	$740	$648, $679, $710	$123	20%	$922	-$182	-20%
Indiana	Marion County	2	$693	$762	N/A	$69	10%	$693	$69	10%
Iowa										
Kansas										
Kentucky*	Central Region	4	$462	$523	See notes	$61	13%	$520	$4	1%
Louisiana*	Statewide	5	$385	$539	See notes	$154	40%	$421	$118	28%
Maine	Cumberland	4	$805	$886	$821, $846	$81	10%	$805	$81	10%
Maryland*	Region W	4	$511	$643	$562, $608	$133	26%	$758	-$114	-15%
Massachusetts	Greater Boston (Region 6)	4	$772	$795	$780, $788	$23	3%	$1,015	-$220	-22%
Michigan										
Minnesota	Hennepin County	2	$859	$988	N/A	$129	15%	$1,022	-$34	-3%
Mississippi	Statewide	2	$312	$339	N/A	$27	9%	$338	$1	0%
Missouri	St. Louis Metropolitan Area	2	$348	$418	N/A	$70	20%	$880	-$462	-53%
Montana	Billings Region	3	$541	$622	$595	$81	15%	$541	$81	15%
Nebraska	Lancaster, Dakota, Douglas, Sarpy Counties	2	$622	$671	N/A	$49	8%	$693	-$22	-3%
Nevada*	Clark County	2	$506	$582	N/A	$76	15%	$808	-$226	-28%
New Hampshire*	Manchester	3	$591	$650	$621	$59	10%	$714	-$64	-9%
New Jersey	Statewide	2	$573	$605	N/A	$31	5%	$784	-$179	-23%
New Mexico	Metropolitan Areas	5	$395	$527	$440, $465, $499	$132	33%	$607	-$80	-13%
New York*	New York City	2	$970	$1,115	N/A	$145	15%	$970	$145	15%
North Carolina*	Mecklenburg County	5	$477	$702	$501, $641, $670	$225	47%	$882	-$180	-20%
North Dakota										
Ohio	Category Six (Larger Metro Areas)	2	$690	$725	N/A	$35	5%	$815	-$90	-11%
Oklahoma*	Enhanced Area (Metro) Counties	4	$292	$487	$373, $438	$195	67%	$476	$11	2%
Oregon										
Pennsylvania	Philadelphia	4	$714	$758	$725, $747	$43	6%	$736	$22	3%
Rhode Island										
South Carolina*	Statewide Urban Counties	5	$390	$624	$455, $476, $580	$234	60%	$624	$0	0%
South Dakota										
Tennessee*	Top 21 Counties	4	$429	$515	$450, $494	$87	20%	$563	-$48	-8%
Texas	Gulf Coast Workforce Development Area	2	$426	$452	N/A	$26	6%	$852	-$401	-47%
Utah										
Vermont	Statewide	6	$494	$593	$514, $534, $554, $582	$99	20%	$737	-$144	-20%
Virginia										
Washington										
West Virginia	Statewide	3	$380	$460	$420	$80	21%	$460	$0	0%
Wisconsin	Milwaukee	2	$779	$857	N/A	$78	10%	$836	$22	3%
Wyoming										

* indicates notes found on pages 29 and 30.

Notes for Tables 4a, 4b, 4c and 4d: Reimbursement Rates

State reimbursement rates are compared to the 75th percentile of market rates (the rate that allows 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 2009 are considered current if set at the 75th percentile of 2007 or more recent market rates).

States were asked to report state reimbursement rates and the 75th percentile of market rates for their state's 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.

Arizona: As of February 2009, reimbursement rates were set at the 75th percentile of the 2000 market rate survey, plus 5 percent. Provider rates were reset back to the 75th percentile of the 2000 market rate survey on April 1, 2009, reversing the 5 percent increase in provider rates that had been implemented on July 1, 2007.

Arkansas: Only providers with state quality accreditation 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.

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.

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

Georgia: Zone 1 includes large urban and suburban areas, including counties in the greater metro Atlanta area and Camden County (Camden, Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Henry, Paulding, and Rockdale).

Hawaii: The reimbursement rate for licensed center-based infant/toddler care is at the 100th percentile of market rates and reimbursement rates for other care types are at the 75th percentile. 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.

Kentucky: The state has four star levels. The amount of the bonus at each star level—$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 for care for infants, toddlers, and children ages three and over in centers, family child care, and in-home care are below the 75th percentile of market rates. Reimbursement rates for children ages three and over in school-based programs are above the 75th percentile. The state has five star levels for centers. The bonus above the basic (one-star) rate level is 3 percent for two-star centers, 8 percent for three-star centers, 13.5 percent for four-star centers, and 20 percent for five-star centers. Until July 2009, centers could also receive a 20 percent bonus for being accredited by the National Association for the Education of Young Children, on top of any bonus related to their star rating. The highest rate shown in Table 4d assumes the provider is at the five-star level and is accredited.

Maryland: Region W includes Anne Arundel, Calvert, Carroll, Charles, and Prince George's Counties.

Massachusetts: Reimbursement rates are between the 20th and 75th percentile of market rates for center care and between the 35th and 55th percentile of market rates for family child care.

Michigan: Reimbursement rates are between the 39th and 47th percentile of market rates for center care, between the 50th and 57th percentile for family and group child care, and at the 52nd percentile for relative care. Shelter Area IV includes Allegan, Alpena, Antrim, Berrien, Branch, Calhoun, Cass, Charlevoix, Clare, Emmet, Gratiot, Ionia, Isabella, Marquette, Montmorency, Roscommon, St. Joseph, Shiawassee, Tuscola, and Wayne Counties.

Minnesota: Reimbursement rates for licensed centers are at approximately the 39th percentile of market rates statewide (40th percentile in rural counties and 38th percentile in urban counties). Reimbursement rates for licensed family child care are at approximately the 48th percentile of market rates statewide (52nd percentile in rural counties and 44th percentile in urban counties).

Missouri: The state does not allow parents involved in the protective services system to be charged 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 Hampshire: The bonus payments for higher-quality care are represented in the table as part of the monthly rate, but they are paid as an annual lump sum.

New Jersey: The percentile 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 York: Social services districts may set reimbursement rates for accredited programs that are up to 15 percent higher than basic 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 are not set based on a market rate survey.

Oklahoma: The market rate percentile for the reimbursement rate varies by type of care, age of child, and region. 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.

South 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. 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.

Tennessee: Reimbursement rates are between the 45th and 52nd percentile of market rates for infants, between the 36th and 42nd percentile for toddlers, and between the 32nd and 38th percentile for preschool-age children. The rates shown in the table apply to the 21 counties that meet the criteria for being paid the higher reimbursement rate (counties that were among the top 15 in average population in 2006 and/or among the top 15 in per capita income in 2004-2006). There is a separate set of reimbursement rates that apply to the remaining counties.

Texas: Local boards determine and update reimbursement rates at their own discretion. The average maximum rates across board areas range from the 22nd to 71st percentile of market rates. Every board has updated its reimbursement rates within the last two years. Also note that providers are allowed to charge parents the difference between the state rate and private-pay rate, unless specifically prohibited by the local board or when the parent is exempt from having to pay a copayment.

Virginia: Reimbursement rates, depending on age group, are between the 35th and 40th percentile of market rates for center care and between the 25th and 40th percentile for family child care.

Washington: Reimbursement rates for center care range from the 17th percentile of market rates for infants in Region 4 to the 60th percentile for school-age children in Region 3. Rates for family child care range from the 25th percentile for school-age children in Region 3 to the 86th percentile for infants in Region 2.

West Virginia: The market rate percentile for the reimbursement rate varies by type of care, age of child, and quality tier. Reimbursement rates range from the 45th to the 90th percentile of market rates for non-accredited care, and from the 65th to the 95th percentile for accredited care. Also note that policies as of 2001 are not available, so policies as of March 2000 are used instead.

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