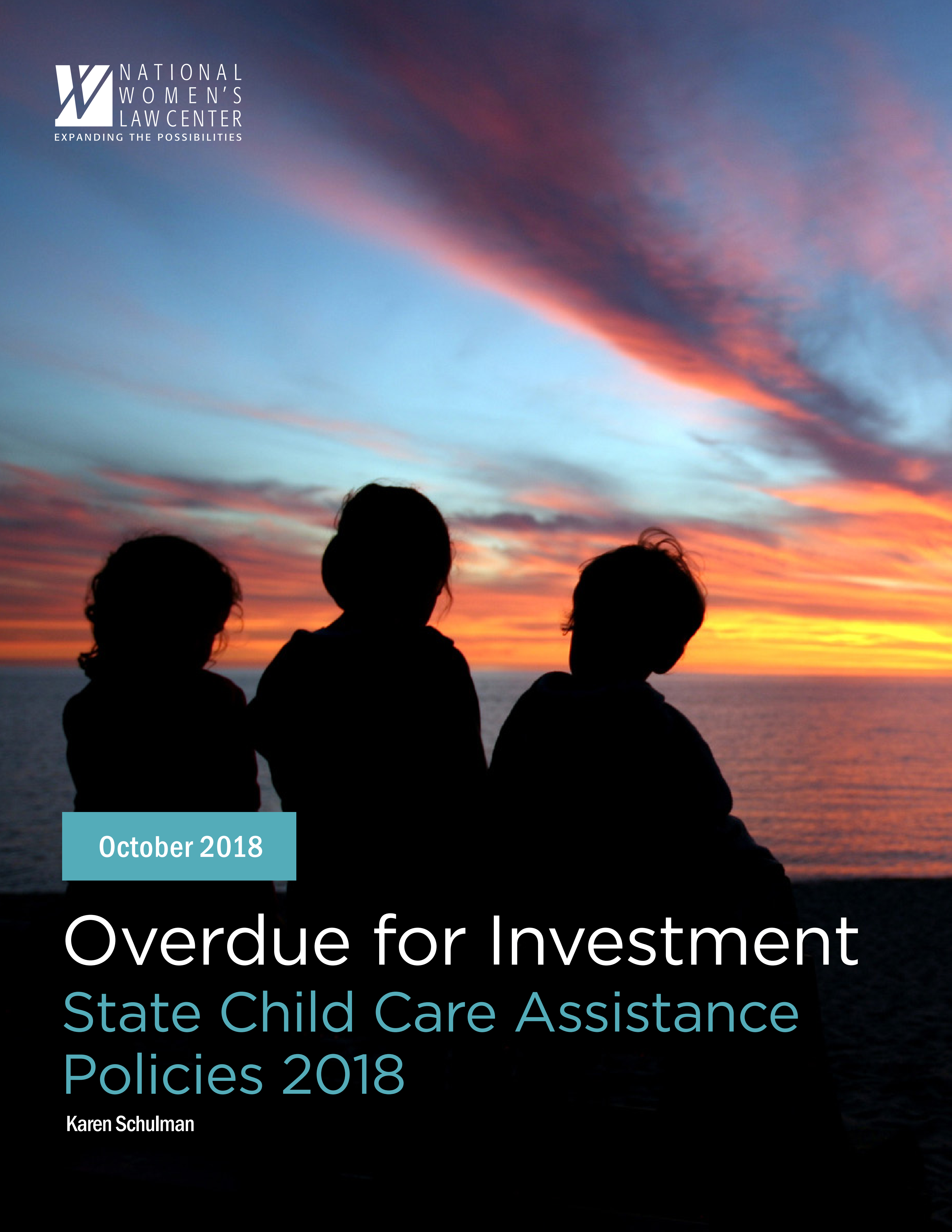

NATIONAL WOMEN'S LAW CENTER
EXPANDING THE POSSIBILITIES

October 2018

Overdue for Investment

State Child Care Assistance Policies 2018

Karen Schulman

ABOUT THE CENTER

The National Women's Law Center is a non-profit organization working to expand the possibilities for women and their families by removing barriers based on gender, opening opportunities, and helping women and their families lead economically secure, healthy, and fulfilled lives—with a special focus on the needs of low-income women and their families and others who face multiple barriers and intersecting forms of discrimination.

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Introduction

CHILD CARE IS CRUCIAL FOR THE WELL-BEING OF PARENTS, CHILDREN, AND OUR NATION. It makes it possible for parents to work and support their families. It gives children a safe, nurturing environment to learn and develop skills they need to succeed in school and in life.[1] And, by strengthening the current and future workforce, it bolsters our nation's economy. Yet many families, particularly low-income families,[2] struggle with the high cost of child care. The average annual cost for full-time care ranges from nearly $3,000 to over $20,000, depending on the age of the child, the type of care, and where the family lives.[3] These costs can strain families' budgets, force parents to use lower-cost care even if they would prefer other options for their children, or prevent parents from working because they cannot afford care. Child care assistance can enable families to overcome these challenges by helping families pay for child care.

Given the importance of child care assistance to families, it is essential for states to have strong child care assistance policies. Under the Child Care and Development Block Grant (CCDBG), the major federal child care assistance program, states have flexibility to set policies within federal parameters. This report examines states' policies in five key areas—income eligibility limits to qualify for child care assistance, waiting lists for child care assistance, copayments required of parents receiving child care assistance, payment rates for child care providers serving families receiving child care assistance, and eligibility for child care assistance for parents searching for a job. These policies are fundamental to determining families' ability to obtain child care assistance and the extent of help that assistance provides.

Between February 2017 and February 2018, states made some progress on their policies. However, this progress was often limited and, as of February 2018, all states still had substantial gaps—which meant many families still lacked any access to child care assistance and/or received inadequate levels of child care assistance. In March 2018, Congress approved a historic increase in child care funding, allowing states to make further improvements in their key child care assistance policies. Yet this increase—$2.37 billion—does not fully compensate for years of stagnant funding. As a result, total funding for child care in Fiscal Year (FY) 2018—even after the increase—remained nearly $1 billion short of the total funding level in FY 2001 after adjusting for inflation.[4] Without further federal and state investments, the new funding will lessen, but not fully close, longstanding gaps.

Overview of annual trends

Overall, families in thirty-three states were better off—having greater access to assistance and/or receiving greater benefits from assistance—in February 2018 than in February 2017 under one or more child care assistance policies covered in this report.[5] Families in nineteen states were worse off under one or more of these policies in February 2018 than in February 2017.[6] This year is the sixth year in a row in which the situation for families improved in more states than it worsened. The past six years represent a reversal from the previous two years, when the situation worsened for families in more states than it improved.

	Number of states in which families were better off under one or more child care assistance policies covered in this report	Number of states in which families were worse off under one or more child care assistance policies covered in this report
February 2018 compared to February 2017	33	19
February 2017 compared to February 2016[7]	41	14
February 2016 compared to February 2015[8]	31	15
February 2015 compared to February 2014[9]	32	16
February 2014 compared to February 2013[10]	33	13
February 2013 compared to February 2012[11]	27	24
February 2012 compared to February 2011[12]	17	27
February 2011 compared to February 2010[13]	11	37

Funding and policy context

The negative trends between 2010 and 2012 resulted at least in part from states' exhaustion of the $2 billion in additional federal funding for CCDBG for FY 2009 and FY 2010 provided by the American Recovery and Reinvestment Act (ARRA);[14] states had to obligate all of the funds by September 2010 and expend those funds by September 2011.[15] The slight increases in annual federal funding for CCDBG in FY 2011 and FY 2012 were not sufficient to keep pace with inflation, much less compensate for the loss of ARRA funds.

In contrast, states made some progress on child care assistance policies in subsequent years as federal child care funding stabilized. After declining slightly from FY 2012 to FY 2013, due to across-the-board federal budget cuts under the Budget Control Act (BCA) of 2011[16] (commonly known as the sequester), CCDBG funding increased gradually each year from FY 2013 to FY 2017; after adjusting for inflation, CCDBG funding in FY 2017 was nearly equal to the funding level in FY 2011.[17] In addition, states' overall economies and fiscal situations improved, resulting in fewer budget cuts and increased investments in critical areas.[18]

After years of small increases that were only sufficient to keep pace with inflation, CCDBG finally received a major funding increase in FY 2018. Since Congress did not finalize its spending measure for FY 2018 until March 2018—the middle of the fiscal year—the impact of this funding increase is not reflected in the state policies as of February 2018 covered in this report. A number of states used the new funds to make policy improvements in the subsequent months, and some of these initial changes are described below in the section on changes since February 2018.

The additional funding will help enable states to implement the Child Care and Development Block Grant Act of 2014, which reauthorized (renewed and updated) the program.[19] The Act made important changes to the CCDBG program intended to ensure the health and safety of children in child care, enhance the quality of care, and make it easier for families to obtain and retain child care assistance. The effective dates for various provisions of the Act were staggered over several years, with some extending as late as 2019,[20] and states were allowed to request waivers for additional time to implement certain provisions. Many states have struggled to implement the Act because it was not initially accompanied by the significant new funding states needed to cover the additional costs entailed in complying with the Act's requirements, such as for increased monitoring of child care providers, provider background checks, and provider training. With the recent boost in CCDBG funding, states now have more of the resources they need to make further progress in implementing the Act.

The Act does not establish specific new requirements for most of the key policy areas covered in this report; a separate report by the National Women's Law Center examines policies more directly affected by the Act.[21] The one policy area addressed in this report that is directly affected by the Act involves child care assistance for parents while they are searching for a job; the Act requires states to allow families receiving child care assistance to continue to receive that assistance for at least three months while a parent looks for a job.[22] As shown in this report, most states are now in compliance with this requirement.

Even with the substantial increase in funding, states still do not have sufficient resources to completely address all competing priorities, including fully implementing provisions of the reauthorization law, expanding the availability of child care assistance for families, and improving the quality of care. Additional investments will be needed to ensure that all of these goals are achieved and that all families have access to stable, high-quality child care.

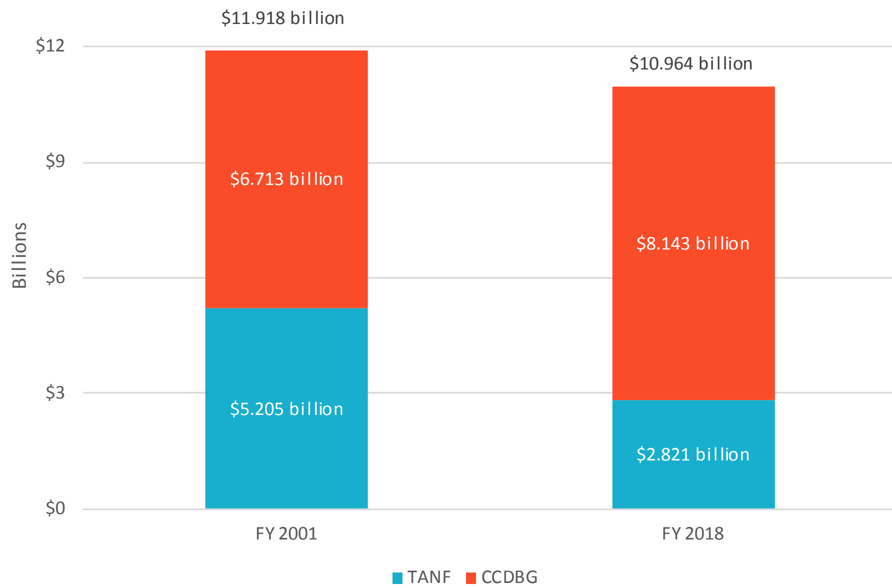
Funding for child care assistance in 2018, 2017, and 2001

The federal CCDBG program, the primary source of funding for child care assistance, received a major increase in FY 2018. Federal CCDBG funding was $8.143 billion in FY 2018[23]—$2.37 billion more than the FY 2017 funding level of $5.773 billion[24] ($5.917 billion after adjusting for inflation).[25] CCDBG funding in FY 2018 was also above the funding level in FY 2010, when ARRA boosted funding—$6.044 billion before adjusting for inflation,[26] or $7.106 billion in FY 2018 dollars.[27] In addition, unlike the ARRA funding, which was intended as a temporary increase in response to the recession, the FY 2018 increase was made as part of the regular, annual appropriations process. CCDBG funding in FY 2018 was also above the FY 2002 funding level after adjusting for inflation—$6.908 billion in FY 2018 dollars[28]—which was the peak funding level prior to ARRA.

Another important source of child care funding is the TANF block grant. States may transfer up to 30 percent of their TANF block grant funds to CCDBG, or use TANF funds directly for child care without first transferring the money. States' use of TANF dollars for child care (including both transfers and direct funding) was $2.753 billion in FY 2017 (the most recent year for which data are available),[29] below the high of $3.966 billion in FY 2000[30] even without adjusting for inflation. (In FY 2018 dollars, use of TANF funds for child care was $2.821 billion in FY 2017 compared to $6.034 billion in FY 2000.[31])

Total federal child care funding from CCDBG and TANF in FY 2018, assuming use of TANF funds was the same as the FY 2017 inflation-adjusted amount, was $10.964 billion. Even with the significant CCDBG funding increase, total funding for child care in FY 2018 remained below total funding in FY 2001 after adjusting for inflation—$11.918 billion in FY 2018 dollars.[32]

Total CCDBG and TANF Funding for Child Care (in FY 2018 dollars)



Summary of key policies as of February 2018 and changes since 2017 and 2001

Changes in states' policies between February 2017 and February 2018 and between 2001 and February 2018 are described in more detail below, but in summary:

- **Income eligibility limits** reveal how generous a state is in determining whether families qualify for child care assistance.[33] In 2018, a family with an income above 150 percent of poverty ($31,170 a year for a family of three) could not qualify for child care assistance in fifteen states. Between 2017 and 2018, seven states increased their income limits for child care assistance by a dollar amount that exceeded inflation; thirty-five states increased their income limits as a dollar amount to adjust for inflation, as measured against the change in the state median income or federal poverty level;[34] eight states kept their income limits the same as a dollar amount; and one state lowered its income limit as a dollar amount. Between 2001 and 2018, income limits declined as a percentage of the federal poverty level in nineteen states.[35]

- **Waiting lists** help reveal whether families who qualify for child care assistance actually receive it. Nineteen states had waiting lists or frozen intake for child care assistance in 2018, slightly lower than the twenty states in 2017 and the twenty-one states in 2001 with waiting lists or frozen intake. In 2018, four states each had more than 20,000 children on the waiting list for child care assistance. Among the thirteen states that had waiting lists in both 2017 and 2018 and for which comparable data are available, the number of children on the waiting list increased in seven states and decreased in six states between 2017 and 2018. Among the ten states that had waiting lists in both 2001 and 2018 and for which there are comparable data, the number of children on the waiting list increased in six states and decreased in four states between 2001 and 2018.

- **Parent copayment levels** reveal whether low-income parents receiving child care assistance have significant out-of-pocket costs for child care. The nationwide average amount that families who pay for child care spend on child care is 7.2 percent of income, but in 2018, copayments were higher than 7.2 percent of income for a family at 150 percent of poverty in thirty states, and for a family at 100 percent of poverty in thirteen states. In all but a handful of states, families receiving child care assistance paid the same percentage of their income in copayments in 2018 as in 2017. For a family at 150 percent of poverty, copayments as a percentage of income increased in two states, decreased in four states, and stayed the same in the remaining states. For a family at 100 percent of poverty, copayments as a percentage of income increased in seven states, decreased in four states, and stayed the same in the remaining states. In approximately half of the states, families paid a higher percentage of their income in copayments in 2018 than in 2001.

- **Provider payment rates** reveal the extent to which families receiving child care assistance may be limited in their choice of child care providers and providers serving families receiving assistance may be limited in the quality of care they can offer to families. Sixteen states increased at least some of their payment rates for providers serving families receiving child care assistance between 2017 and 2018. Yet, only one state had payment rates at the federally recommended level in 2018, one fewer than the number of states in 2017, and significantly lower than the twenty-two states with rates at the recommended level in 2001. Forty-one states had higher payment rates for higher-quality care (tiered rates) in 2018—the same number of states as in 2017.[36] However, in four-fifths of these states, even the higher rates were below the federally recommended level in 2018.

- **Eligibility policies for parents searching for work** reveal whether families can receive child care assistance while a parent seeks employment, so that a child's care arrangement is not disrupted and the family has child care available as soon as the parent finds a job. Forty-nine states allowed families receiving child care assistance to continue receiving it while a parent searched for a job in 2018, the same number of states as in 2017. Between 2017 and 2018, six of these states increased the length of time families could receive child care assistance while a parent searched for a job. Eleven states allowed families not receiving child care assistance to qualify for assistance while a parent searched for a job in 2018, the same number of states as in 2017.[37]

Methodology

THE NATIONAL WOMEN'S LAW CENTER COLLECTED THE DATA IN THIS REPORT from state child care administrators in the fifty states and the District of Columbia (counted as a state in this report). The Center sent the state child care administrators a survey in the spring of 2018 requesting data on policies as of February 2018 in five key areas—income eligibility limits, waiting lists, parent copayments, provider payment rates, and eligibility for child care assistance for parents searching for a job. The survey also asked state administrators to report on any policy changes that the state had made since February 2017 or expected to make after February 2018 in each of the five areas. The survey questions about these policy areas were largely the same as in surveys of state administrators conducted by the Center in previous years. Center staff contacted state administrators for follow-up information as necessary. The Center obtained supplementary information about states' policies from documents available on state agencies' websites.

The Center collected the 2017 data used in this report for comparison purposes through a similar process and analyzed these data in the Center's October 2017 report, *Persistent Gaps: State Child Care Assistance Policies 2017*. The Children's Defense Fund (CDF) collected the 2001 data used in this report and analyzed these data in CDF's report, *State Developments in Child Care, Early Education and School-Age Care 2001*. CDF staff collected the data through surveys and interviews with state child care advocates and verified the data with state child care administrators. The CDF data reflect policies in effect as of June 1, 2001, unless otherwise indicated. The Center uses 2001 as a basis for comparison because it was the year between the peak year for Temporary Assistance for Needy Families (TANF) funding for child care, FY 2000, and what was the peak year for CCDBG funding, FY 2002, prior to FY 2010, when ARRA provided a temporary boost in CCDBG funding (see the box above on funding for child care assistance).

Income eligibility limits

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

Between 2017 and 2018, forty-two states increased their income eligibility limits as a dollar amount by enough to keep pace with or exceed inflation, as measured against the change in the federal poverty level or state median income, depending on which benchmark the state used.[38] However, eight states did not increase their income limits, and one state reduced its income limit. Between 2001 and 2018, most states increased their income limits as a dollar amount; yet, nearly two-fifths of the states failed to increase their income limits sufficiently to keep pace with inflation, as measured against the change in the federal poverty level,[39] or reduced their income limits as a dollar amount. In addition, over two-thirds of the states had income limits at or below 200 percent of poverty in 2018.

A family with an income above 150 percent of poverty ($31,170 a year for a family of three) could not qualify for child care assistance in fifteen states in 2018: Alabama, Florida, Georgia, Idaho, Indiana, Iowa, Maryland, Michigan, Missouri, Montana, Nebraska, Nevada, Ohio, South Carolina, and West Virginia.

- Seven states increased their income eligibility limits by a dollar amount that exceeded inflation between 2017 and 2018 (*see Table 1a*).[40]
- Thirty-five states increased their income eligibility limits as a dollar amount to adjust for inflation between 2017 and 2018, including thirty-three states that adjusted for one year of inflation,[41] as well as two states that adjusted for two or three years of inflation to make up for previous years in which they had not adjusted for inflation.[42]
- Eight states kept their income eligibility limits the same as a dollar amount between 2017 and 2018.
- One state lowered its income eligibility limit as a dollar amount between 2017 and 2018.[43]
- Forty-seven states increased their income eligibility limits as a dollar amount between 2001 and 2018 (*see Table 1b*). In sixteen of these states, the increase was great enough that the income limit was higher as a percentage of the federal poverty level in 2018 than in 2001. In sixteen of these states, the increase was great enough that the income limit stayed the same, or nearly the same, as a percentage of the federal poverty level in 2018 as in 2001.[44] However, in fifteen 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 2018 than in 2001.
- Four states lowered their income eligibility limits as a dollar amount between 2001 and 2018. In these states, the income limit decreased as a percentage of the federal poverty level, bringing to nineteen 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 2018.

- A family with an income above 100 percent of the federal poverty level ($20,780 a year for a family of three in 2018) could qualify for child care assistance in all states in 2018. However, a family with an income above 150 percent of poverty ($31,170 a year for a family of three in 2018) could not qualify for assistance in fifteen states. A family with an income above 200 percent of poverty ($41,560 a year for a family of three in 2018) could not qualify for assistance in a total of thirty-five states. Yet, in every county and city across the country, a family needs an income above 200 percent of poverty to adequately afford their basic needs, including housing, food, child care, transportation, health care, and other necessities, according to data from the Economic Policy Institute.[45]

Waiting lists

EVEN IF FAMILIES ARE ELIGIBLE FOR CHILD CARE ASSISTANCE, THEY MAY NOT NECESSARILY RECEIVE IT. Instead, their state may place eligible families on a waiting list or freeze intake (turn away eligible families without adding their names to a waiting list). Families may remain on the waiting list for a long time before receiving child care assistance, or may never receive it. Without the help they need to afford child care, families on the waiting list must make extremely difficult choices. According to several studies,[46] many of these families struggle to pay for reliable, good-quality child care while paying for other basic necessities such as food and rent, or turn to low-cost—and frequently low-quality—care. Some families simply cannot afford child care at all, which can make it impossible for parents to work.

In 2018, over three-fifths of the states were able to serve eligible families who applied for child care assistance without placing any on waiting lists or freezing intake, but nearly 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 or frozen intake in 2018 was slightly lower than the number in either 2017 or 2001. However, among states that had waiting lists in both years, slightly more states' waiting lists increased than decreased between 2017 and 2018. In addition, slightly more states' waiting lists increased than decreased between 2001 and 2018.[47]

The amount of time families spend on the waiting list for child care assistance ranges widely across states, from as little as a few weeks or months to as much as a year or more.

- Nineteen states had waiting lists or frozen intake in 2018,[48] compared to twenty states in 2017 and twenty-one states in 2001 (*see Table 2*).
- Four states each had more than 20,000 children on the waiting list in 2018.
- Of the seventeen states that had waiting lists or frozen intake in both 2017 and 2018, seven states had longer waiting lists in 2018 than in 2017, and six states had shorter waiting lists. In the remaining four states with waiting lists or frozen intake in both 2017 and 2018, it was not possible to compare the length of waiting lists based on the available data.
- Of the fifteen states that had waiting lists or frozen intake in both 2001 and 2018, six states had longer waiting lists in 2018 than in 2001, and four states had shorter waiting lists. In the remaining five states with waiting lists or frozen intake in both 2001 and 2018, it was not possible to compare the length of waiting lists based on the available data.
- Among the ten states with waiting lists that reported data on the length of time families spent on the waiting list for 2018, the average length of time families spent on the waiting list before receiving child care assistance was less than six months in six states,[49] between six months and a year in two states,[50] and more than a year in two states.[51] Among the seven states that reported data for both 2017 and 2018, the average length of time on the waiting list was longer in 2018 than in 2017 in two states, the same in 2018 as in 2017 in three states, and shorter in 2018 than in 2017 in two states.[52]

Nineteen states had waiting lists or frozen intake for child care assistance in 2018: Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Indiana, Louisiana, Massachusetts, Minnesota, Mississippi, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Texas, and Virginia.

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. A few states also take into account the cost of care used by a family in determining the amount of the family's copayment. Copayment levels matter because if they are high, they can create a serious financial strain for families or may discourage families from participating in the child care assistance program.

This report analyzes 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.[53] In most states, families paid the same percentage of their income in copayments in 2018 as in 2017. However, in slightly less than half to slightly over half of the states, depending on income, families paid a higher percentage of their income in copayments in 2018 than in 2001.

High copayments can create a serious financial strain for families or may discourage families from participating in the child care assistance program.

Copayments were high in many states in 2018. Nationwide, families who pay for child care (including those who receive child care assistance and those who do not) spend an average of 7.2 percent of their income on child care.[54] The CCDBG regulations finalized in September 2016 recommend that copayments charged to parents receiving child care assistance not exceed this nationwide average[55]—but so far few states have changed their policies to meet this benchmark. In approximately one-quarter to nearly three-fifths of the states, depending on income, a family receiving child care assistance was required to pay more than 7.2 percent of its income in copayments in 2018.

- In two states, copayments for a family of three at 150 percent of poverty[56] increased as a percentage of income between 2017 and 2018 (*see Table 3a*). In forty-four states, copayments remained the same as a percentage of income. In four states, copayments decreased as a percentage of income. In one state, a family at 150 percent of poverty was eligible for child care assistance in 2018 but not 2017.[57]

- In twenty-four states, copayments for a family of three at 150 percent of poverty[58] increased as a percentage of income between 2001 and 2018. In seven states, copayments remained the same as a percentage of income. In seventeen states, copayments decreased as a percentage of income. In three states, a family at 150 percent of poverty was eligible for child care assistance in 2018 but not 2001.

- In seven states, copayments for a family of three at 100 percent of poverty increased as a percentage of income between 2017 and 2018 (*see Table 3b*). In forty states, copayments remained the same as a percentage of income. In four states, copayments decreased as a percentage of income.

- In twenty-eight states, copayments for a family of three at 100 percent of poverty increased as a percentage of income between 2001 and 2018. In nine states, copayments remained the same as a percentage of income. In fourteen states, copayments decreased as a percentage of income.

- In thirty states, the copayment for a family of three at 150 percent of poverty was above $187 per month (7.2 percent of income) in 2018. This includes fifteen states where the copayment for a family at this income level was $260 per month (10 percent of income) or higher.
- In thirteen states, the copayment for a family of three at 100 percent of poverty was above $125 per month (7.2 percent of income) in 2018. This includes four states where the copayment for a family at this income level was $173 per month (10 percent of income) or higher.

Provider payment rates

STATES SET PAYMENT RATES FOR CHILD CARE PROVIDERS who care for children receiving child care assistance. The payment rate is a ceiling on the amount the state will pay providers, and a provider will be paid at that rate if the fee the provider charges to parents who pay out of their own pocket (private-paying parents) is equal to or greater than the rate. If a provider charges private-paying parents a fee that is below the payment rate, the state will pay the provider an amount equal to the private-pay fee. Payment rates may vary by geographic region, age of the child, type of care, and other factors.

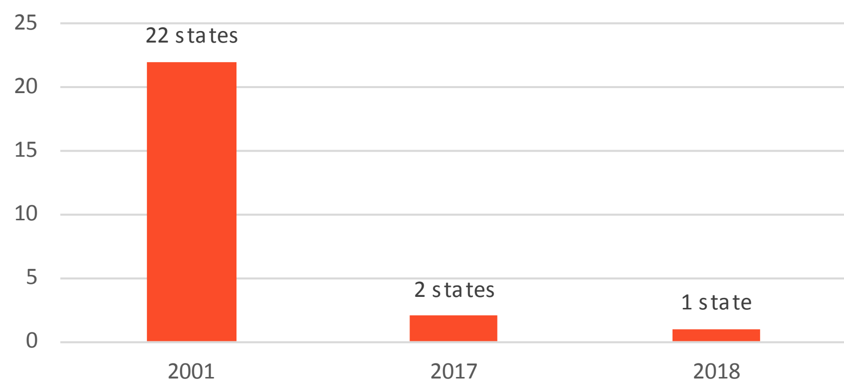
Payment rates help determine whether child care providers have sufficient resources to sustain their businesses, offer salaries that are high enough to attract and retain qualified staff and that allow child care workers to earn enough to support themselves and their families, have low child-staff ratios, maintain facilities, and buy materials and supplies for activities that encourage children's learning and development. Inadequate payment rates can discourage high-quality providers from enrolling families who receive child care assistance. Providers that do enroll these families can be deprived of the resources needed to offer high-quality care to the vulnerable children who could benefit most from it—and these providers can sometimes find it impossible to even keep their doors open.

Federal regulations recommend, but do not mandate, that rates be set at the 75th percentile of current market rates,[59] a rate that is designed to allow families access to 75 percent of the providers in their communities. In 2018, just one state set its payment rates at the 75th percentile of current market rates, a slight decrease from the two states that did so in 2017, and a sharp decline from 2001, when twenty-two states set their payment rates at this level.[60] In 2018, the remaining fifty states set their payment rates below the 75th percentile of current market rates, including many states that set their rates significantly below the 75th percentile. In addition, approximately half of the states had not updated their payment rates in the previous two years. Without regular updates to payment rates to at least keep pace with increases in the cost of care, payment rates fall further behind the 75th percentile of current market rates.

When the payment rate is below the fee a child care provider charges private-paying parents, over three-quarters of the states allow providers to ask parents receiving child care assistance to cover the difference (beyond any required copayment). While this approach may prevent child care providers from losing income, it shifts the financial burden to low-income families who strain to afford the additional charge.

- One state set its payment rates at the 75th percentile of current market rates (rates from 2016, 2017, or 2018) in 2018 (*see Table 4a*).[61] This was one fewer than the two states that set their payment rates at this level in 2017 (*see Table 4b*). In addition, it was substantially lower than the number of states—twenty-two—that set their payment rates at this level in 2001.
- Twenty-five states increased at least some of their payment rates between 2016 and 2018,[62] including sixteen states that increased their rates between 2017 and 2018.[63] In one state where payment rates are set at the local level, some counties increased their rates and some counties lowered their rates between 2016 and 2018.[64] No other state reduced its rates between 2016 and 2018. The remaining twenty-five states did not update their payment rates between 2016 and 2018. All states updated their payment rates between 2001 and 2018.

Number of States with Provider Payment Rates at the 75th Percentile of Current Market Rates



- In thirty-one states, payment rates for center care for a four-year-old in 2018 were at least 20 percent below the 75th percentile of market rates (based on the state's most recent market survey for which it reported data) for this type of care (*see Table 4c*).[65]
- In twenty-four states, payment rates for center care for a one-year-old in 2018 were at least 20 percent below the 75th percentile of market rates (based on the state's most recent market survey for which it reported data) for this type of care.[66]
- In twenty-five states, payment rates for center care for a four-year-old in 2018 were at least $200 per month below the 75th percentile of market rates (based on the state's most recent market survey for which it reported data) for this type of care. With a gap of $200 per child per month, a classroom of twenty four-year-olds receiving child care assistance would get $48,000 less per year than it would if the payment rate was at the recommended level.
- In twenty-five states, payment rates for center care for a one-year-old in 2018 were at least $200 per month below the 75th percentile of market rates (based on the state's most recent market survey for which it reported data) for this type of care.
- Thirty-nine states allowed child care providers to charge parents receiving child care assistance the difference between the payment rate and the fee that the provider charged private-paying parents if the payment rate was lower in 2018—the same number of states as in 2017.[67]

Forty-one states had higher payment rates (tiered rates) for child care providers that met higher-quality standards in 2018,[68] the same number of states as in 2017.[69] Some states had a single higher payment rate; other states had progressively higher payment rates for progressively higher levels of quality. Tiered payment rates can offer child care providers incentives and support to improve the quality of their care. However, it is important for the differential to be large enough to cover the additional costs entailed in raising quality sufficiently to qualify for a higher rate. These costs include expenses for additional staff to reduce child-staff ratios, increased salaries for staff with advanced education in early childhood development, staff training, facilities upgrades, and/or new equipment and materials. Yet, in four-fifths of states with tiered rates, the highest rate fell below the 75th percentile of current market rates. In nearly two-fifths of the states with tiered rates, the highest payment rate was less than 20 percent above the base rate.

- Forty-one states paid higher rates for higher-quality care in 2018, equal to the number of states in 2017 (*see Table 4d*). While most of these states had tiered rates that applied across different age groups, one state only paid tiered rates for providers caring for children from two years of age to kindergarten entry[70] and one state only paid tiered rates for providers caring for children up to 2.9 years of age.[71]

- Ten of the forty-one states with tiered rates in 2018 had two rate levels (including the base level),[72] six states had three levels, fourteen states had four levels, seven states had five levels, two states had six levels, and two states had seven levels.[73]
- In four-fifths of the forty states with tiered rates for center care for a four-year-old in 2018, the payment rate for this type of care at the highest quality level was below the 75th percentile of current market rates (which includes providers at all levels of quality) for this type of care.[74]
  - In thirty-two of the forty states, the payment rate at the highest quality level was below the 75th percentile of market rates (based on the state's most recent market survey for which it reported data).[75] In seventeen of these states, the payment rate at the highest quality level was at least 20 percent below the 75th percentile.
  - In one of the forty states, the payment rate at the highest quality level was equal to the 75th percentile of market rates.
  - In seven of the forty states, the payment rate at the highest quality level was above the 75th percentile of market rates. In two of these states, the payment rate at the highest quality level was at least 10 percent above the 75th percentile.
- Among the forty states with tiered rates for center care for a four-year-old, the difference between a state's lowest rate and highest rate for this type of care ranged from 5 percent to 74 percent in 2018.[76] The difference between a state's lowest and highest rates was not consistently related to whether the state's highest rate was above or below the 75th percentile of market rates (based on the state's most recent market survey for which it reported data).
  - In five of the forty states, the highest rate was 5 percent to 9 percent greater than the lowest rate. In all five of these states, the highest rate was below the 75th percentile of market rates.
  - In ten of the forty states, the highest rate was 10 percent to 19 percent greater than the lowest rate. In seven of these ten states, the highest rate was below the 75th percentile of market rates.
  - In twelve of the forty states, the highest rate was 20 percent to 29 percent greater than the lowest rate. In nine of these twelve states, the highest rate was below the 75th percentile of market rates.
  - In thirteen of the forty states, the highest rate was at least 30 percent greater than the lowest rate. In eleven of these thirteen states, the highest rate was below the 75th percentile of market rates.
- In four states, the differential between the lowest and highest rates for center care for a four-year-old was greater in 2018 than in 2017.[77] In two states, the differential between the lowest and highest rates was smaller in 2018 than in 2017.[78] In the remaining thirty-four states with tiered rates for center care for a four-year-old, the differential between the lowest and highest rates was the same in 2018 as in 2017.

Only one state set provider payment rates at the federally recommended level in 2018: California.

Eligibility for families with parents searching for a job

CHILD CARE ASSISTANCE CAN HELP PARENTS get or keep the child care they need while searching for an initial job or a new job. Parents can more readily start work if they can make their child care arrangements before they find a job rather than having to wait until after they find a job to make those arrangements. In addition, children can have greater stability if they can remain in the same child care arrangement without disruption when a parent loses one job and is searching for another job.

As previously described, the CCDBG Act of 2014 requires states to allow families receiving child care assistance to continue receiving it for at least three months while a parent searches for a job. States had until at least September 30, 2016, to implement this provision,[79] and some states received waivers allowing them additional time beyond that to implement the provision.[80] Neither the law nor the federal regulations require states to allow families to qualify for and begin receiving child care assistance while a parent searches for a job.

In 2018, forty-nine states allowed families receiving child care assistance to continue receiving it for at least some amount of time while a parent searched for a job, the same number as in 2017. Forty-five of these states allowed parents to continue receiving child care assistance while searching for a job for up to three months (or an equivalent amount of time) or until the end of their eligibility period—policies that are consistent with the requirements of the CCDBG Act of 2014—including six states that improved their policies since 2017. Six states still did not have policies that aligned with the law's requirements on continued assistance for parents searching for a job, but—as described in the following section on changes in policies since February 2018—four of these states revised or planned to revise their policies after February 2018 to come into compliance with the law.

Only eleven states allowed families to qualify for and begin receiving child care assistance while a parent searched for a job in 2018.[81] One state allowed families to qualify for assistance while a parent searched for a job in 2017 but not 2018, while one state allowed families to qualify for assistance while a parent searched for a job in 2018 but not 2017.

- Forty-nine states allowed families receiving child care assistance to continue receiving it while a parent searched for a job in 2018, the same as in 2017 (*see Table 5*).
  - Seven states allowed families to continue receiving child care assistance while a parent searched for a job until the end of the family's twelve-month eligibility period in 2018. One of these states changed the length of time families could continue receiving child care assistance while a parent searched for a job between 2017 and 2018; in 2017, this state allowed families to continue receiving child care assistance while a parent searched for a job for up to sixty days.
  - Thirty-eight states allowed families to continue receiving child care assistance while a parent searched for a job for up to three months or the equivalent (ninety, ninety-one, or ninety-two days, or twelve or thirteen weeks) in 2018.[82] Five of these states increased the length of time families could continue receiving child care assistance while a parent searched for a job between 2017 and 2018; in 2017, one of these five states only allowed parents to continue receiving child care

assistance until the end of the month in which they lost their job, and in the other four states the length of time families could continue receiving child care assistance while a parent searched for a job ranged from eighty hours to forty days.

    - Among the remaining four states that allowed families to continue receiving child care assistance while a parent searched for a job, the time limit ranged from twenty-one days to two months in 2018.

- One state permitted localities to determine whether families receiving child care assistance could continue receiving it while a parent searched for a job in 2018, the same as in 2017. Localities in this state could allow families to continue receiving child care assistance while a parent searched for a job for up to six months (if funds were available).

- One state did not allow families receiving child care assistance to continue receiving it while a parent searched for a job in 2018, the same as in 2017.

- Eleven states allowed families not receiving child care assistance to qualify for assistance while a parent searched for a job in 2018, the same number of states as in 2017.

    - One state allowed families to qualify to receive child care assistance while a parent searched for a job for up to twelve months in 2018. This state increased the length of time families could qualify to receive child care assistance while a parent searched for a job from sixty days in 2017.

    - Five states allowed families to qualify to receive child care assistance while a parent searched for a job for up to three months or the equivalent (ninety-two days) in 2018. One of these states increased the length of time families could qualify to receive child care assistance while a parent searched for a job from forty days; one of these states increased the length of time families could qualify to receive child care assistance while a parent searched for a job from thirty days; and one of these states did not allow families to qualify for child care assistance while a parent searched for a job in 2017.

    - Among the remaining five states that allowed families to qualify to receive child care assistance while a parent searched for a job, the time limit ranged from 150 hours to two months in 2018.

- Two states permitted localities to determine whether families not receiving child care assistance could qualify for assistance while a parent searched for a job in 2018, the same as in 2017.

    - One state permitted localities to allow families to qualify for child care assistance while a parent searched for a job for up to six months (if funds were available) in 2018.

    - One state permitted localities to allow families to qualify for child care assistance while a parent searched for a job and if localities chose to do so, they had to allow these families to receive child care assistance for at least thirteen weeks in 2018.

- Thirty-eight states did not allow families not receiving child care assistance to qualify for assistance while a parent searched for a job in 2018, the same number of states as in 2017. One of these states had allowed families to qualify for assistance while a parent searched for a job for up to eighty hours in 2017.

In 2018, forty-nine states allowed families receiving child care assistance to continue receiving it while a parent searched for a job. But only eleven states allowed families to qualify for and begin receiving child care assistance while a parent searched for a job.

Looking ahead: developments since February 2018

ALTHOUGH THIS REPORT PRIMARILY FOCUSES ON CHANGES BETWEEN FEBRUARY 2017 AND FEBRUARY 2018, states reported on some changes they made or expected to make after February 2018. Twenty-eight states reported they had made or expected to make improvements in one or more of the policies covered in this report after February 2018. In many cases, states were able to make these improvements as a result of the new child care funding that was approved in March 2018 and that became available to states after that date. Only two states reported they had made or expected to make cutbacks in one or more of the policies covered in this report after February 2018.

- One state increased its income eligibility limit for child care assistance by an amount that exceeded annual inflation after February 2018.[83]
  - Maryland increased its income limit to qualify for assistance from 50 percent of the 2001 state median income ($29,990 a year for a family of three) to 65 percent of the 2018 state median income ($60,081 a year for a family of three) as of July 2018.
- One state reduced its income eligibility limit for child care assistance after February 2018.
  - Delaware reduced its income limit to qualify for assistance from 200 percent of the 2017 federal poverty level ($40,848 a year for a family of three) to 185 percent of the 2018 federal poverty level ($38,443 a year for a family of three) as of September 2018.[84]
- Seven states reduced the number of children on the waiting list for child care assistance, or began serving all eligible children whose families applied for assistance rather than placing them on the waiting list, after February 2018.
  - Alabama's waiting list decreased from 2,351 children as of February 2018 to 1,403 children as of September 2018.
  - Arkansas, which had 2,244 children on the waiting list as of February 2018, was serving all eligible children who had been on the waiting list and no longer placing additional children on a waiting list as of August 2018.
  - Colorado's waiting list decreased from 1,518 children as of February 2018 to 912 children as of August 2018.
  - Louisiana's waiting list decreased from 4,563 children as of February 2018 to 3,453 children as of September 2018.
  - Mississippi, which had 16,103 families on the waiting list as of February 2018, was serving all eligible families who had been on the waiting list and no longer placing additional families on a waiting list as of October 2018.
  - Oregon, which had 1,890 children on the waiting list as of February 2018, was serving all eligible children who had been on the waiting list and no longer placing additional children on a waiting list as of March 2018.
  - Texas's waiting list decreased from 65,444 children as of February 2018 to 52,107 children as of August 2018.
- One state increased the number of children on the waiting list after February 2018.

  - Florida's waiting list increased from 29,553 children as of February 2018 to 34,597 children as of August 2018.
- Two states reduced, or planned to reduce, copayments for families receiving child care assistance after February 2018.[85]
  - Georgia reduced copayments for families as of September 2018. The new copayment schedule ensures that no family pays more than 7 percent of its income in copayments. For example, the monthly copayment for a family of three at 150 percent of poverty ($31,170 a year) was reduced from $208 (8 percent of income) to $182 (7 percent of income), and the monthly copayment for a family of three at 100 percent of poverty ($20,780 a year) was reduced from $143 (8 percent of income) to $87 (5 percent of income).
  - Maryland planned to reduce copayments for families as of February 2019. The new copayment schedule will ensure that no family pays more than 2 percent of its income in copayments. For example, the monthly copayment for a family of three at 150 percent of poverty is expected to be reduced from $313 (12 percent of income) to a maximum of $52 (2 percent of income), and the monthly copayment for a family of three at 100 percent of poverty is expected to be reduced from $281 (16 percent of income) to a maximum of $35 (2 percent of income).[86]

Twenty-eight states reported they had made or expected to make improvements in one or more of the policies covered in this report after February 2018.

- Eighteen states increased, or planned to increase, their base payment rates[87] for providers serving families receiving child care assistance after February 2018.[88]
  - Alabama increased its base payment rates to the 70th percentile of 2017 market rates as of October 2018. For example, the monthly payment rate for center care for a four-year-old in Birmingham increased from $468 to $580.
  - Georgia planned to increase its base payment rates for care for infants and toddlers to the 25th percentile of 2016 market rates as of January 2019. For example, the monthly payment rate for center care for a one-year-old in Zone 1 (which includes the state's larger urban counties) will increase from $559 to $624.
  - Idaho planned to increase its payment rates from the 65th percentile of 2015 market rates to the 65th percentile of 2018 market rates as of January 2019. For example, the monthly payment rate for center care for a four-year-old in Boise will increase from $623 to $683.
  - Illinois increased its base payment rates for center care by 4.26 percent as of July 2018. For example, the monthly payment rate for center care for a four-year-old in Group 1A Counties (which includes Cook County) increased from $708 to $738.
  - Iowa planned to increase its base payment rates from approximately 8.2 percent above the 75th percentile of 2004 market rates to the 45th percentile of 2014 market rates as of January 2019. For example, the monthly payment rate for center care for a four-year-old statewide will increase from $595 to $649.
  - Maine increased its base payment rates for center care and family child care for all age groups to the 75th percentile of 2018 market rates as of June 2018; previously, payment rates for center care for school-age children and family child care for all age groups were at the 75th percentile of 2015 market rates, and payment rates for center care for infants, toddlers, and preschoolers were at the 50th percentile of 2015 market rates. For example, the monthly payment rate for center care for a four-year-old in Cumberland County increased from $909 to $1,121.

- Maryland increased its base payment rates to at least the 20th percentile of 2017 market rates as of May 2018. For example, the monthly payment rate for center care for a four-year-old in Region W (which includes Anne Arundel, Calvert, Carroll, Charles, and Prince George's Counties) increased from $559 to $628.
- Mississippi increased its base payment rates to the 75th percentile of 2016 market rates as of June 2018. For example, the monthly payment rate for center care for a four-year-old statewide increased from $312 to $440.
- Nebraska increased its base payment rates from at least the 50th to at least the 60th percentile of 2017 market rates as of July 2018. For example, the monthly payment rate for center care for a four-year-old in urban counties increased from $801 to $812.
- New Jersey increased its base payment rates for center care for infants, toddlers, and preschoolers as of May 2018. For example, the monthly payment rate for center care for a four-year-old statewide increased from $579 to $585.
- North Dakota increased its payment rates from the 50th percentile to the 60th percentile of 2015 market rates as of March 2018. For example, the monthly payment rate for center care for a four-year-old statewide increased from $600 to $628.
- Rhode Island increased its base payment rates as of July 2018. For example, the monthly payment rate for center care for a four-year-old statewide increased from $700 to $718.
- South Dakota increased its payment rates from the 75th percentile of 2015 market rates to the 75th percentile of 2017 market rates as of June 2018. For example, the monthly payment rate for center care for a four-year-old in Minnehaha County increased from $692 to $701.
- Texas increased its base payment rates by 2 percent as of August 2018. For example, the monthly payment rate for center care for a four-year-old in the Gulf Coast area increased from $507 to $517.
- Utah increased its payment rates from the 70th percentile of 2015 market rates to the 60th percentile of 2017 market rates as of October 2018. For example, the monthly payment rate for center care for a four-year-old statewide increased from $568 to $585.
- Vermont increased its base payment rates for care for infants and toddlers as of July 2018. For example, the monthly payment rate for center care for a one-year-old statewide increased from $651 to $833.
- Virginia increased its payment rates for licensed providers to the 70th percentile of 2018 market rates as of June 2018. For example, the monthly payment rate for center care for a four-year-old in Fairfax County increased from $1,147 to $1,516.
- Wisconsin increased its base payment rates for care for children birth through age three as of October 2018.[89] For example, the monthly payment rate for center care for a one-year-old in Milwaukee increased from $1,016 to $1,113. The state planned to increase payment rates for care for all age groups as of January 2019.

- Eleven states increased, or planned to increase, their tiered payment rates for higher-quality care, or implemented new tiered rates, after February 2018.
  - Arizona increased its tiered payment rates for nationally accredited care from 10 percent to 20 percent above the base rate, and began paying 10 percent above the base rate to providers with a four-star rating under the state's quality rating and improvement system (which has five levels) and 20 percent above the base rate to five-star providers, as of April 2018. For example, in Maricopa County, the monthly payment rate for nationally accredited center care for a four-year-old increased from $567

to $618, while four- and five-star providers, which previously received the base rate, began receiving monthly payment rates of $567 and $618, respectively, compared to the base rate of $515.

- Georgia increased its tiered payment rates for providers with ratings of one star or higher in the state's quality rating and improvement system (which has three levels) as of October 2018. Tiered rates were increased from 5 percent to 10 percent above the base rate for one-star providers, from 10 percent to 20 percent above the base rate for two-star providers, and from 25 percent to 40 percent above the base rate for three-star providers. For example, the monthly payment rate for care for a four-year-old in Zone 1 increased from $519 to $543 for a one-star center, from $543 to $593 for a two-star center, and from $618 to $692 for a three-star center, compared to the base rate of $494.[90]

- Iowa planned to increase its tiered payment rates for providers at level five of the state's quality rating and improvement system (which has five levels) from the 75th percentile of 2014 market rates to the 75th percentile of 2017 market rates, and to introduce two new tiered rate levels for providers at quality levels one through four (which currently receive the base rate), as of January 2019. For example, the monthly payment rate for care for a four-year-old statewide will be $682 for a center at level one or two and $722 for a center at level three or four, and will increase from $770 to $822 for a center at level five, compared to the base rate (which also will increase) of $649.

- Kentucky increased its tiered payment rates as of April 2018. For example, the monthly payment rate for center care for a four-year-old in the Central Region at the highest quality level increased from $538[91] to $563,[92] compared to the base rate of $476.

- Mississippi increased its tiered payment rates for centers as of June 2018. Centers that meet the quality criteria required to be designated as "comprehensive" now receive payment rates that are 25 percent above the base rate (which is paid to "standard" centers). For example, the monthly payment rate for center care for a four-year-old statewide at the highest tier level increased from $339 to $550, compared to the base rate (which also increased) of $440.[93]

- New Jersey established new tiered payment rates for centers that have three-, four-, and five-star ratings under the state's quality rating and improvement system (which has five levels) and that serve infants, toddlers, and preschoolers as of June 2018. The new tiered rates range from 4 percent to 24 percent above the base rate, depending on the age of the child and the center's quality level. For example, the monthly payment rate for care for a four-year-old statewide is $609 for a three-star center, $627 for a four-star center, and $646 for a five-star center, compared to the base rate (which also increased) of $585.[94]

- North Carolina increased its tiered payment rates for licensed care with ratings of three stars or higher in the state's quality rating and improvement system (which has five star levels) for children ages three through five in twenty of the state's 100 counties, and for children birth through age five in the state's other eighty counties, as of October 2018. For example, the monthly payment rate for care for a four-year-old in Mecklenburg County increased from $721 to $881 for a three-star center, from $746 to $939 for a four-star center, and from $776 to $1,035 for a five-star center, compared to the base rate of $477.

- Oklahoma increased its tiered payment rates for providers at the two- and three-star levels of the state's quality rating and improvement system (which has four levels) caring for children birth through age three to the 65th percentile of 2017 market rates as of August 2018. The state also increased payment rates for two- and three-star providers caring for children ages four and older and for all one-star-plus providers by at least 7 percent as of August 2018.[95] For example, the monthly payment rate for care for a four-year-old in Enhanced Areas increased from $375 to $401 for one-star-plus centers, from $461 to $494 for two-star centers, and from $509 to $546 for three-star centers, compared to the base rate (which is paid to one-star centers) of $292.

- Rhode Island established new tiered payment rates for providers as of July 2018. For example, the monthly payment rate for care for a four-year-old statewide is $735 for a center at tier two of the state's quality rating and improvement system (which has five levels for centers), $770 for a center at tier three, $791 for a center at tier four, and $847 for a center at tier five, compared to the base rate (which is paid to centers at tier one and which also increased) of $718.

- Texas increased its tiered payment rates as of August 2018. Payment rates for providers at the four-star level of the state's quality rating and improvement system (which has four levels) were increased to at least the 75th percentile of 2017 market rates; payment rates for three-star providers were increased to at least 90 percent of the four-star rate; and payment rates for two-star providers were increased to at least 90 percent of the three-star rate. For example, the monthly payment rate for care for a four-year-old in the Gulf Coast area increased from $533 to $582 for a two-star center, from $543 to $646 for a three-star center, and from $554 to $718 for a four-star center, compared to the base rate (which is paid to one-star centers and which also increased) of $517.

- Vermont increased its tiered payment rates for care for infants and toddlers as of July 2018. For example, the monthly payment rate for care for a one-year-old statewide increased from $684 to $874 for a one-star center, from $716 to $916 for a two-star center, from $781 to $999 for a three-star center, from $846 to $1,083 for a four-star center, and from $912 to $1,166 for a five-star center, compared to the base rate (which also increased) of $833.

- Four states increased, or planned to increase, the amount of time families can receive child care assistance while a parent searches for a job, or began allowing families to continue to receive child care assistance while a parent searches for a job, after February 2018.[96]

  - Hawaii planned to extend the amount of time families can continue receiving child care assistance while a parent searches for a job from thirty days to three months in the summer of 2019.

  - Massachusetts extended the amount of time families can continue receiving child care assistance while a parent searches for a job from eight weeks to twelve weeks as of October 2018.[97]

  - Nebraska planned to extend the amount of time families can continue receiving child care assistance while a parent searches for a job from two months to three months, but had not yet determined when this change would go into effect.

  - Virginia, which did not allow families to receive child care assistance while a parent searched for a job as of February 2018, began allowing families to continue receiving assistance while a parent searches for a job until the end of their twelve-month eligibility period as of October 2018.

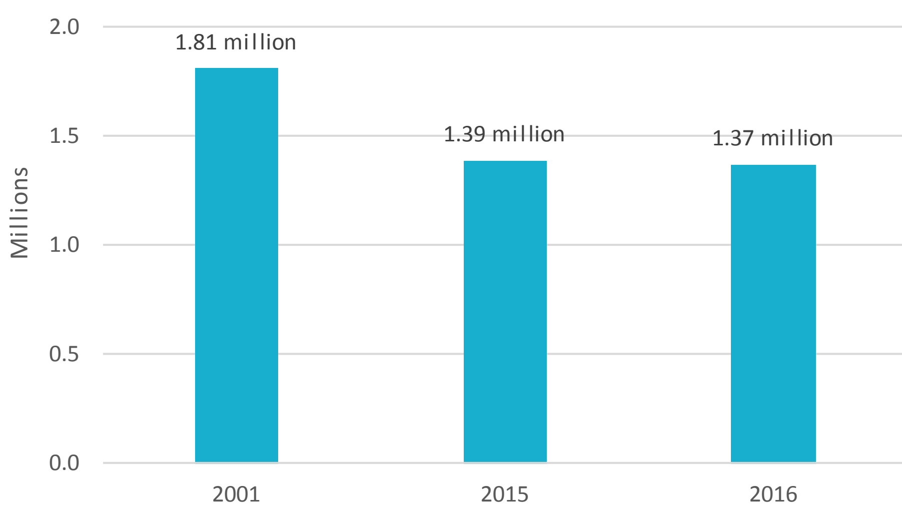
Conclusion

FAMILIES' ACCESS TO CHILD CARE ASSISTANCE AND/OR THE EXTENT OF ASSISTANCE THEY COULD RECEIVE INCREASED under one or more key child care assistance policies in nearly two-thirds of the states, while families' access to assistance and/or the extent of assistance decreased under one or more key policies in over one-third of the states (including some states that had both improvements and cutbacks), between February 2017 and February 2018. This year marks the sixth straight year in which families experienced improvements in more states than they experienced cutbacks.

Despite this progress, states still have a long way to go. Many states' income limits for child care assistance remain too low, leaving families that are struggling financially unable to qualify for help. A number of states have long waiting lists for child care assistance—some with tens of thousands of children on them—shutting out families even when they are eligible for help. In many states, families able to receive child care assistance still have a heavy financial burden due to high copayments. And most states' payment rates—even for higher-quality care—are so low that families' child care options are limited and providers willing to serve families receiving assistance strain to cover their costs. All of these barriers combine to make it extremely challenging for children and families to access the affordable, high-quality care they need and for providers—particularly those in low-income neighborhoods—to stay in business.

In addition, although many states made at least some progress in the key child care assistance policy areas addressed in this report, they have steadily lost ground in another important area: the number of children served. The number of children receiving child care assistance in 2016 (the most recent year for which data are available) was 1.37 million,[98] slightly lower than the 1.39 million children receiving assistance in 2015,[99] and much lower than the 1.81 million children receiving in assistance in 2001,[100] even though the number of children living

Number of Children Receiving Child Care Assistance



Source: U.S. Department of Health and Human Services, Office of Child Care.

in low-income families in 2016 was slightly higher than in 2001.[101] This decline in children served exacerbated the unmet need—in 2013 (the most recent year for which data are available), fewer than one in six children eligible for federal child care assistance received it.[102]

States have an opportunity to rectify these shortfalls with the new child care funding. But with so many gaps to fill, this funding is only the start. Even greater federal and state investments are required to expand access to child care assistance so that the number of children and families served not only matches but far exceeds the previous peak; raise provider payment rates so that families receiving child care assistance have not only adequate but high-quality child care options; and implement the CCDBG reauthorization law so that states fulfill not just the law's specific requirements but its broader goals. Additional investments are essential for parents to have the affordable, reliable child care they need to work, for children to have the early learning opportunities they need to learn and thrive, and for our nation to have the strong workforce it needs now and in the future for a growing economy.

Endnotes

1 Research demonstrates the important role that high-quality child care plays in giving children a strong start. Suzanne Helburn, Mary L. Culkin, Carollee Howes, Donna Bryant, Richard Clifford, Debby Cryer, Ellen Peisner-Feinberg, and Sharon Lynn Kagan, Cost, Quality, and Child Outcomes in Child Care Centers (Denver, CO: University of Colorado, 1995); Ellen S. Peisner-Feinberg, Richard M. Clifford, Mary L. Culkin, Carollee Howes, Sharon Lynn Kagan, et al., The Children of the Cost, Quality, and Outcomes Study Go to School (Chapel Hill, NC: University of North Carolina, Frank Porter Graham Child Development Center, 1999); Eric Dearing, Kathleen McCartney, and Beck A. Taylor, Does Higher Quality Early Child Care Promote Low-Income Children's Math and Reading Achievement in Middle Childhood?, Child Development, 80 (5), 2009, 1329-1349; National Research Council and the Institute of Medicine, From Neurons to Neighborhoods: The Science of Early Childhood Development (Washington, DC: National Academy Press, 2000).

2 In 2017 (the most recent year for which data are available), 6.4 million families with children under age six (39 percent) had incomes under 200 percent of poverty. U.S. Census Bureau, Current Population Survey, 2018 Annual Social and Economic Supplement, Detailed Table POV08: Families With Related Children Under 6 by Number of Working Family Members and Family Structure: 2017, *available at* https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pov/pov-08.html.

3 Child Care Aware of America, The US and the High Cost of Child Care: A Review of Prices and Proposed Solutions for a Broken System (Arlington, VA: Child Care Aware of America, 2018), *available at* http://usa.childcareaware.org/advocacy-public-policy/resources/research/costofcare/.

4 This report uses 2001 policies as the basis for comparison because, until 2010, it was the year between the peak year for CCDBG funding, 2002, and the peak year for Temporary Assistance for Needy Families (TANF) funding used for child care, 2000. *See* box on funding for child care assistance in 2018, 2017, and 2001.

5 These thirty-three states are Alabama, Alaska, Arizona, Arkansas, California, Connecticut, District of Columbia, Florida, Hawaii, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, Nevada, New Hampshire, New Jersey, North Carolina, North Dakota, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Virginia, Washington, West Virginia, and Wisconsin. Families were considered better off under state child care assistance policies between 2017 and 2018 if during that time period the state increased its income eligibility limit to qualify for child care assistance by an amount that exceeded an annual inflation adjustment; reduced its waiting list, served all families on the waiting list, or unfroze intake; reduced parent copayments for families at 100 percent of poverty and/or 150 percent of poverty as a percentage of income; increased provider payment rates as a dollar amount; increased or began implementing payment rate differentials for higher-quality care; and/or increased the amount of time families could receive child care assistance while a parent searched for a job or started allowing families to qualify for or continue receiving child care assistance while a parent searched for a job.

6 These nineteen states are Alabama, Alaska, Arkansas, Colorado, Florida, Hawaii, Indiana, Kentucky, Louisiana, Maine, Maryland, New Hampshire, New Mexico, North Carolina, Oregon, South Dakota, Texas, West Virginia, and Wisconsin. Sixteen of these states are also included in the list of thirty-three states above because in these states, families were worse off under some policies, but better off under other policies. Families were considered worse off under state child care assistance policies between 2017 and 2018 if during that time period the state reduced its income eligibility limit to qualify for child care assistance as a dollar amount; implemented a waiting list, increased its waiting list, or froze intake; increased parent copayments for families at 100 percent of poverty and/or 150 percent of poverty as a percentage of income; reduced provider payment rates as a dollar amount or stopped paying providers at the federally recommended level, the 75th percentile of current market rates; reduced payment rate differentials for higher-quality care; and/or reduced the length of time families could receive child care assistance while a parent searched for a job or stopped allowing families to qualify for or continue receiving child care assistance while a parent searched for a job.

7 Karen Schulman and Helen Blank, Persistent Gaps: State Child Care Assistance Policies 2017 (Washington, DC: National Women's Law Center, 2017), *available at* https://nwlc.org/resources/persistent-gaps-state-child-care-assistance-policies-2017/. These counts include eleven states in which families were better off under some policies and worse off under others.

8 Karen Schulman and Helen Blank, Red Light Green Light: State Child Care Assistance Policies 2016 (Washington, DC: National Women's Law Center, 2016), *available at* https://nwlc.org/wp-content/uploads/2016/10/NWLC-State-Child-Care-Assistance-Policies-2016-final.pdf. These counts include eight states in which families were better off under some policies and worse off under others.

9 Karen Schulman and Helen Blank, Building Blocks: State Child Care Assistance Policies 2015 (Washington, DC: National Women's Law Center, 2015), *available at* https://nwlc.org/wp-content/uploads/2015/11/CC_RP_Building_Blocks_Assistance_Policies_2015.pdf. These counts include eleven states in which families were better off under some policies and worse off under others.

10 Karen Schulman and Helen Blank, Turning the Corner: State Child Care Assistance Policies 2014 (Washington, DC: National Women's Law Center, 2014), *available at* http://www.nwlc.org/sites/default/files/pdfs/nwlc_2014statechildcareassistancereport-final.pdf. These counts include eight states in which families were better off under some policies and worse off under others.

11 Karen Schulman and Helen Blank, Pivot Point: State Child Care Assistance Policies 2013 (Washington, DC: National Women's Law Center, 2013), *available at* http://www.nwlc.org/sites/default/files/pdfs/final_nwlc_2013statechildcareassistancereport.pdf. These counts include twelve states in which families were better off under some policies and worse off under others.

12 Karen Schulman and Helen Blank, Downward Slide: State Child Care Assistance Policies 2012 (Washington, DC: National Women's Law Center, 2012), *available at* http://www.nwlc.org/sites/default/files/pdfs/NWLC2012_StateChildCareAssistanceReport.pdf. These counts include six states in which families were better off under some policies and worse off under others.

13 Karen Schulman and Helen Blank, State Child Care Assistance Policies 2011: Reduced Support for Families in Challenging Times (Washington, DC: National Women's Law Center, 2011), *available at* http://www.nwlc.org/sites/default/files/pdfs/state_child_care_assistance_policies_report2011_final.pdf. These counts include seven states in which families were better off under some policies and worse off under others.

14 American Recovery and Reinvestment Act, Pub. L. No. 111–8, 123 Stat. 524 (2009).

15 Program Instruction (CCDF-ACF-PI-2009-03), Issued April 9, 2009, *available at* http://www.acf.hhs.gov/sites/default/files/occ/pi2009_03.pdf.

16 Budget Control Act of 2011, Pub. L. No. 112–25, 125 Stat. 240 (2011).

17 CCDBG funding was $5.140 billion in FY 2011 ($5.916 billion in FY 2018 dollars), $5.195 billion in FY 2012 ($5.856 billion in FY 2018 dollars), $5.123 billion in FY 2013 ($5.678 billion in FY 2018 dollars), $5.275 billion in FY 2014 ($5.741 billion in FY 2018 dollars), $5.352 billion in FY 2015 ($5.716 billion in FY 2018 dollars), $5.678 billion in FY 2016 ($5.960 billion in FY 2018 dollars), and $5.773 billion in FY 2017 ($5.917 billion in FY 2018 dollars). FY 2011 and FY 2012 funding levels from U.S. Department of Health and Human Services, Fiscal Year 2013 Budget in Brief (Washington, DC: U.S. Department of Health and Human Services, 2012), 88, 92, *available at* https://www.hhs.gov/about/agencies/asfr/budget/budgets-in-brief-performance-reports/index.html. FY 2013 funding level from U.S. Department of Health and Human Services,

Fiscal Year 2015 Budget in Brief (Washington, DC: U.S. Department of Health and Human Services, 2014), 108, 113, *available at* http://www.hhs.gov/sites/default/files/budget/fy2015/fy-2015-budget-in-brief.pdf. FY 2014 and FY 2015 funding levels from U.S. Department of Health and Human Services, FY 2016 President's Budget for HHS (Washington, DC: U.S. Department of Health and Human Services, 2015), 120, 125, *available at* http://www.hhs.gov/sites/default/files/budget/fy2016/fy-2016-budget-in-brief.pdf. FY 2016 funding level from U.S. Department of Health and Human Services, FY 2017 President's Budget for HHS (Washington, DC: U.S. Department of Health and Human Services, 2016), 132, 139, *available at* http://www.hhs.gov/sites/default/files/fy2017-budget-in-brief.pdf. FY 2017 funding level from Consolidated Appropriations Act, 2017, Pub. L. No. 115–31, 131 Stat. 532 (2017); Office of Management and Budget, Appendix: Budget of the U.S. Government, Fiscal Year 2018 (2017), 461, *available at* https://www.govinfo.gov/content/pkg/BUDGET-2018-APP/pdf/BUDGET-2018-APP.pdf. Inflation adjustments calculated by National Women's Law Center using Congressional Budget Office, The Budget and Economic Outlook report series; figures are adjusted for inflation using the average of the Consumer Price Index and the Employment Cost Index.

18 National Association of State Budget Officers, The Fiscal Survey of States: Spring 2018 (Washington, DC: NASBO, 2018), *available at* https://www.nasbo.org/reports-data/fiscal-survey-of-states; National Association of State Budget Officers, The Fiscal Survey of States: Spring 2016 (Washington, DC: NASBO, 2016), *available at* http://www.nasbo.org/mainsite/reports-data/fiscal-survey-of-states/fiscal-survey-archives; National Association of State Budget Officers, The Fiscal Survey of States: Spring 2015 (Washington, DC: NASBO, 2015), *available at* http://www.nasbo.org/mainsite/reports-data/fiscalsurvey-of-states/fiscal-survey-archives; National Association of State Budget Officers, The Fiscal Survey of States: Spring 2014 (Washington, DC: NASBO, 2014), *available at* http://www.nasbo.org/mainsite/reports-data/fiscal-survey-of-states/fiscal-survey-archives; National Conference of State Legislatures, State Budget Update: Spring 2014 (Denver, CO: NCSL, 2014), *available at* http://www.ncsl.org/documents/fiscal/SPRING_SBU_2014_free.pdf; National Conference of State Legislatures, State Budget and Tax Actions: Preliminary Report (August 2013) (Denver, CO: NCSL, 2013), *available at* http://www.ncsl.org/Portals/1/Documents/fiscal/SBTA_PreliminaryReport_final.pdf; Elizabeth McNichol, States Should React Cautiously to Recent Income Tax Growth: April Surge Provides Opportunity to Invest in Infrastructure, Boost Reserves (Washington, DC: Center on Budget and Policy Priorities, 2013), *available at* http://www.cbpp.org/files/6-13-13sfp.pdf.

19 Child Care and Development Block Grant Act of 2014, Pub. L. 113-186, 128 Stat. 1971 (2014).

20 *See* Child Care and Development Block Grant Act of 2014, Pub. L. 113-186, 128 Stat. 1971 (2014).

21 Karen Schulman, The Child Care and Development Block Grant Act of 2014: Uneven State Implementation of Key Policies (Washington, DC: National Women's Law Center, 2017), *available at* https://nwlc.org/wp-content/uploads/2017/09/NWLC-report-on-state-implementation-of-CCDBG-reauthorization.pdf.

22 *See* Child Care and Development Block Grant Act of 2014, Pub. L. 113-186, 128 Stat. 1971, 1979 (2014). The federal Office of Child Care allowed states until September 30, 2016, to implement provisions in the law for which an effective date is not specified, including this provision. *See* U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, Draft Child Care and Development Fund Plan Preprint for Public Comment, September 14, 2015, 5, *available at* https://www.acf.hhs.gov/sites/default/files/occ/fy2016_2018_ccdf_plan_preprin_draft_for_public_comment_91415.pdf. In addition, the Office of Child Care granted waivers to a number of states for certain provisions, including this provision. *See* National Women's Law Center, Child Care and Development Fund Plans FY 2016-2018: State Waivers and Corrective Actions (2016), *available at* https://nwlc.org/wp-content/uploads/2016/08/CCDF-State-Plans-FY-2016-2018-State-Waivers-and-Corrective-Actions-FINAL.pdf.

23 This amount includes $5.226 billion in discretionary funding and $2.917 billion in mandatory (entitlement) funding. Consolidated Appropriations Act, 2018, H.R. 1625, 115th Cong. 381-382 (2018) (enacted), *available at* https://www.congress.gov/115/bills/hr1625/BILLS-115hr1625enr.pdf; Office of Management and Budget, Appendix, Budget of the U.S. Government, Fiscal Year 2019 (2018), 464, *available at* https://www.whitehouse.gov/wp-content/uploads/2018/02/appendix-fy2019.pdf.

24 This amount includes $2.856 billion in discretionary funding and $2.917 billion in mandatory (entitlement) funding. Consolidated Appropriations Act, 2017, Pub. L. No. 115–31, 131 Stat. 532 (2017); Appendix: Budget of the U.S. Government, Fiscal Year 2018, 461.

25 National Women's Law Center calculations using Congressional Budget Office, The Budget and Economic Outlook report series; figures are adjusted for inflation using the average of the Consumer Price Index and the Employment Cost Index.

26 This amount includes $2.127 billion in discretionary funding, $2.917 billion in mandatory (entitlement) funding, and $1 billion in ARRA funding (assuming that the additional $2 billion in CCDBG funding for states to obligate in FY 2009 and FY 2010 provided through ARRA allowed for $1 billion in ARRA funds each year for FY 2009 and FY 2010). U.S. Department of Health and Human Services, Fiscal Year 2011 Budget in Brief (Washington, DC: U.S. Department of Health and Human Services, 2010), 75, 79, *available at* https://www.hhs.gov/about/agencies/asfr/budget/budgets-in-brief-performance-reports/index.html.

27 National Women's Law Center calculations using Congressional Budget Office, The Budget and Economic Outlook report series; figures are adjusted for inflation using the average of the Consumer Price Index and the Employment Cost Index.

28 CCDBG funding in FY 2002, before adjusting for inflation, was $4.817 billion. This amount includes $2.1 billion in discretionary funding and $2.717 billion in mandatory (entitlement) funding. U.S. Department of Health and Human Services, FY 2003 President's Budget for HHS (Washington, DC: U.S. Department of Health and Human Services, 2002), 83, 92, *available at* https://www.hhs.gov/about/agencies/asfr/budget/budgets-in-brief-performance-reports/index.html. Inflation adjustment calculated by National Women's Law Center using Congressional Budget Office, The Budget and Economic Outlook report series; figures are adjusted for inflation using the average of the Consumer Price Index and the Employment Cost Index.

29 This total includes $1.288 billion transferred to CCDBG and $1.464 billion spent directly on child care (including both that categorized as "assistance" and "non-assistance"). National Women's Law Center analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, Fiscal Year 2017 TANF Financial Data, Table A.1.: Federal TANF and State MOE Expenditures Summary by ACF-196 Spending Category, FY 2017, *available at* https://www.acf.hhs.gov/ofa/resource/tanf-financial-data-fy-2017.

30 This total includes $2.413 billion transferred to CCDBG, $353 million spent on child care categorized as "assistance," and $1.200 billion spent on child care categorized as "non-assistance." National Women's Law Center analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2000 TANF Financial Data, Table A. Combined Federal Funds Spent in FY 2000 Through the Fourth Quarter, *available at* http://archive.acf.hhs.gov/programs/ofs/data/tanf_2000.html.

31 National Women's Law Center calculations using Congressional Budget Office, The Budget and Economic Outlook report series; figures are adjusted for inflation using the average of the Consumer Price Index and the Employment Cost Index.

32 In FY 2001, CCDBG funding was $4.567 billion ($6.713 billion in FY 2018 dollars) and TANF funding used for child care was $3.541 billion ($5.205 billion in FY 2018 dollars). The CCDBG funding amount includes $2.0 billion in discretionary funding and $2.567 billion in mandatory (entitlement) funding. U.S. Department of Health and Human Services, FY 2002 President's Budget for HHS (Washington, DC: U.S. Department of Health and Human Services, 2001), 89-90, *available at* https://www.hhs.gov/about/agencies/asfr/budget/budgets-in-brief-performance-reports/index.html. The TANF funding amount includes $1.899 billion transferred to CCDBG, $285 million spent on child care categorized as "assistance," and $1.357 billion spent on child care categorized as "non-assistance." National Women's Law Center

analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2001 TANF Financial Data, Table A. Combined Federal Funds Spent in FY 2001 Through the Fourth Quarter, *available at* http://archive.acf.hhs.gov/programs/ofs/data/tanf_2001.html. CCDBG and TANF amounts in FY 2018 dollars calculated by National Women's Law Center using Congressional Budget Office, The Budget and Economic Outlook report series; figures are adjusted for inflation using the average of the Consumer Price Index and the Employment Cost Index.

33 This report 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 limit. Information about states that have different entrance and exit income eligibility limits is provided in the notes to Tables 1a and 1b.

34 The federal poverty level for a family of three was $20,780 in 2018. U.S. Department of Health and Human Services, 2018 Poverty Guidelines, *available at* https://aspe.hhs.gov/poverty-guidelines. The federal poverty level for a family of three was $20,420 in 2017. U.S. Department of Health and Human Services, 2017 Poverty Guidelines, *available at* https://aspe.hhs.gov/2017-poverty-guidelines.

35 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/2001-hhs-poverty-guidelines.

36 Comparable data were not collected for 2001.

37 Comparable data were not collected for 2001.

38 For states that allow localities to set their income limits within a state-specified range, the maximum of that range is used for the analysis in this report.

39 State median income is not used to measure inflation between 2001 and 2018 because variations among states in state median income adjustments and in the benchmark states use to set their income eligibility limits are more difficult to track than changes in the federal poverty level over a long-term period.

40 These seven states are Alaska (which increased its income limit from 75 percent of the 2008 state median income to 85 percent of the 2013 state median income), Arkansas (which increased its income limit from 60 percent to 85 percent of the 2018 state median income), California (which increased its income limit from 70 percent of the 2007 state median income to 70 percent of the 2015 state median income), District of Columbia (which increased its income limit from 250 percent of the 2009 federal poverty level to 250 percent of the 2017 federal poverty level), Illinois (which increased its income limit from 162 percent of the 2016 federal poverty level to 185 percent of the 2017 federal poverty level), Michigan (which increased its income limit from 125 percent of the 2016 federal poverty level to 130 percent of the 2017 federal poverty level), and South Carolina (which increased its income limit from 150 percent of the 2016 federal poverty level to 55 percent of the 2018 state median income). In most instances, the states included in the counts referenced in the text of this report are discernible from the tables following the endnotes. When the states are not easily discernible from the tables, the endnotes identify the states referenced.

41 These thirty-three states include twenty-three states (Alabama, Arizona, Delaware, Florida, Idaho, Indiana, Iowa, Kansas, Kentucky, Nebraska, Nevada, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Virginia, Washington, and Wyoming) that set their income limits based on the federal poverty level and adjusted their income limits for the 2017 federal poverty level; seven states (Colorado, Connecticut, Georgia, Massachusetts, Minnesota, North Dakota, and Texas) that set their income limits based on state median income and adjusted their income limits for the 2018 state median income; two states (Maine and Utah) that set their income limits based on state median income and adjusted their income limits for the 2017 state median income; and one state (Louisiana) that set its income limit based on state median income and adjusted its income limit for the 2015 state median income between February 2017 and February 2018.

42 These two states include one state (North Carolina) that set its income limit based on the federal poverty level and adjusted its income limit from the 2015 to 2017 federal poverty level; and one state (West Virginia) that set its income limit based on the federal poverty level and adjusted its income limit from the 2014 to 2017 federal poverty level between February 2017 and February 2018.

43 This state is New Hampshire (which reduced its income limit from 250 percent of the 2016 federal poverty level to 220 percent of the 2017 federal poverty level).

44 These sixteen states include three states in which the income limit decreased by five percentage points, one state in which the income limit decreased by four percentage points, six states in which the income limit decreased by three percentage points, one state in which the income limit stayed the same, two states in which the income limit increased by three percentage points, one state in which the income limit increased by four percentage points, and two states in which the income limit increased by five percentage points as a percentage of the federal poverty level.

45 National Women's Law Center analysis of data from Elise Gould, Zane Mokhiber, and Kathleen Bryant, The Economic Policy Institute's Family Budget Calculator (Washington, DC: Economic Policy Institute, 2018), *available at* https://www.epi.org/resources/budget/; and from Sylvia Allegretto, Basic Family Budgets: Working Families' Incomes Often Fail to Meet Living Expenses Around the U.S. (Washington, DC: Economic Policy Institute, 2005), *available at* http://www.epi.org/page/-/old/briefingpapers/165/bp165.pdf.

46 *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).

47 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.

48 These nineteen states include Georgia, which is characterized in this report as having frozen intake in 2018, even though the state no longer refers to its policy as frozen intake, because as of February 2018 it did not serve otherwise eligible families unless they met the state's priority criteria (families participating in TANF, children with special needs, grandparents raising grandchildren, children with court-ordered supervision, children receiving protective services, foster children, parents ages twenty or younger, homeless families, families experiencing domestic violence, families with children participating in the state-funded prekindergarten program, families experiencing state- or federally declared natural disasters, and families with very low incomes).

49 These six states are Alabama, Arizona, Colorado, Indiana, Oregon, and Pennsylvania.

50 These two states are Florida and Texas.
51 These two states are Arkansas and Massachusetts.
52 Comparable data were not collected for 2001.
53 If a state determines its copayments based on the cost of care, this report assumes that the family had a four-year-old in a licensed center charging the state's maximum base payment rate. If a state allows localities to set their copayments within a state-specified range, the maximum of that range is used for the analysis in this report.
54 U.S. Census Bureau, Who's Minding the Kids? Child Care Arrangements: 2011, Detailed Tables, Table 6: Average Weekly Child Care Expenditures of Families with Employed Mothers that Make Payments, by Age Groups and Selected Characteristics: Spring 2011 (2013), *available at* http://www.census.gov/data/tables/2008/demo/2011-tables.html.
55 Child Care and Development Fund (Preamble to Final Rule), 81 Fed. Reg. 190 (September 30, 2016), *available at* https://www.federalregister.gov/documents/2016/09/30/2016-22986/child-care-and-development-fund-program.
56 For a family of three, 150 percent of the federal poverty level was equal to an income of $30,630 in 2017 and $31,170 in 2018.
57 While families with incomes at 150 percent of poverty could not qualify for child care assistance in fifteen states (Alabama, Florida, Georgia, Idaho, Indiana, Iowa, Maryland, Michigan, Missouri, Montana, Nebraska, Nevada, Ohio, South Carolina, and West Virginia) in 2017 and 2018, families already receiving assistance could continue receiving assistance—and thus have copayments—up to an exit eligibility limit above 150 percent of poverty in all of these states in 2018, and all but one of these states (Maryland) in 2017.
58 For a family of three, 150 percent of the federal poverty level was equal to an income of $21,945 in 2001.
59 This recommendation to set payment rates at the 75th percentile of current market rates is in the preamble to both the previous regulations, *see* Child Care and Development Fund (Preamble to Final Rule), 63 Fed. Reg. 142 (July 24, 1998), *available at* http://www.gpo.gov/fdsys/pkg/FR-1998-07-24/pdf/98-19418.pdf, and the current regulations issued in September 2016, *see* Child Care and Development Fund (Preamble to Final Rule), 81 Fed. Reg. 190 (September 30, 2016). Under the CCDBG Act of 2014, which codified the ways in which states must set payment rates, states must set their rates using a market rate survey or alternative methodology that they have "developed and conducted (not earlier than 2 years before the date of the submission of the application containing the State plan)." Child Care and Development Block Grant Act of 2014, Pub. L. 113-186, 128 Stat. 1971, 1985-1986 (2014). Since the law also requires states to submit their plans only once every three years, Child Care and Development Block Grant Act of 2014, Pub. L. 113-186, 128 Stat. 1971, 1972 (2014), the effect of the statutory language is to permit rates to be set based on a market rate survey older than two years. However, this report, as in previous years, considers rates to be current if based on a market rate survey conducted no more than two years earlier.
60 For this analysis, a state's payment rates are not considered to be at the 75th percentile of market rates if only some of its rates—for example, for certain regions, age groups, or higher-quality care—are at the 75th percentile.
61 Arkansas, Indiana, New Mexico, North Carolina, and South Carolina are not counted as setting their payment rates at the 75th percentile of market rates, even though each of these states had some payment rates—including one or both of the rates shown in Table 4c—that were at or above the 75th percentile of market rates, because each state also had some payment rates for other categories that fell below the 75th percentile of market rates in 2018.
62 These twenty-five states are Alabama, Alaska, California, Connecticut, District of Columbia, Florida, Hawaii, Idaho, Maine, Maryland, Massachusetts, Michigan, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Oregon, South Dakota, Texas, Vermont, Washington, and West Virginia. Most of these states are included because they increased their rates for all categories of care, but some of these states only increased certain rates. Connecticut is included because it increased its rates for family child care, although not for centers. Florida is included because some of its local early learning coalitions—which set rates and determine when to update them—increased their rates. North Carolina is included because it increased its rates for care for certain age groups in certain counties. Oregon is included because it increased its rates for family child care, although not for centers. Texas is included because some of its twenty-eight local boards—which set rates and determine when to update them—increased at least some of their rates. Vermont is included because it increased its rates for infant care. States are generally not included here if they increased only their higher rates for higher-quality care (tiered rates) and not their base rates; *see* note 77 and accompanying text for discussion of increases in tiered rates. However, North Carolina, which increased rates only for providers with three stars or higher in the state's quality rating and improvement system (which has five levels), is included here because the state requires all providers serving families receiving child care assistance (except religious-sponsored providers and providers with a temporary license) to have a rating of three stars or higher. Differences between rates shown in Table 4c of this report and rates shown in Table 4c of the State Child Care Assistance Policies 2016 and 2017 reports for any states other than those identified in this and the following two endnotes are due to revisions or recalculations of the data or changes in the category for which data are reported rather than policy changes.
63 These sixteen states are Alaska, California, District of Columbia, Florida, Hawaii, Maine, Maryland, Massachusetts, Michigan, Nebraska, New Hampshire, New Jersey, North Carolina, North Dakota, Oregon, and Washington. Most of these states are included because they increased their rates for all categories of care, but some of these states only increased certain rates. The District of Columbia is included because it increased its rates for infant care. Florida is included because some of its local early learning coalitions increased their rates. Maine is included because it increased its rates for family child care for all age groups and for center care for school-age children, although not for center care for infants, toddlers, or preschoolers. North Carolina is included because it increased its rates for care for school-age children in eighty of the state's 100 counties and for care for children birth through age two in the remaining twenty counties. Oregon is included because it increased its rates for family child care, although not for centers.
64 This state is Colorado.
65 This analysis is based on rates in each state's most populous city, county, or region. For states that pay higher rates for higher-quality care, this analysis uses the state's most common payment rate level (the level representing the greatest number of providers). Also note that states were asked to report the 75th percentile of market rates based on their most recent market rate survey, and most states reported data from 2016 or more recent surveys. However, thirteen states—Arkansas, Colorado, Connecticut, District of Columbia, Idaho, Michigan, New Jersey, New York, North Carolina, Rhode Island, South Carolina, Washington, and Wisconsin—reported data from surveys conducted before 2016. Colorado, Connecticut, District of Columbia, Michigan, New Jersey, North Carolina, Rhode Island, Washington, and Wisconsin are included in these thirty-one states because their payment rates were 20 percent or more below the 75th percentile of market rates based on their outdated surveys, and so presumably their payment rates would be 20 percent or more below the 75th percentile of current market rates. Arkansas, Idaho, New York, and South Carolina are not included in the thirty-one states because their payment 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 payment rates were 20 percent or more below the 75th percentile of current market rates.
66 Colorado, Connecticut, District of Columbia, New Jersey, Washington, and Wisconsin are included in these twenty-four states because their payment rates were 20 percent or more below the 75th percentile of market rates based on their outdated surveys, and so presumably their

payment rates would be 20 percent or more below the 75th percentile of current market rates. Arkansas, Idaho, Michigan, New York, North Carolina, Rhode Island, and South Carolina are not included in the twenty-four states because their payment 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 payment rates were 20 percent or more below the 75th percentile of current market rates.

67 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 payment rate and the provider's private fee. Karen Schulman and Helen Blank, Child Care Assistance Policies 2005: States Fail to Make Up Lost Ground, Families Continue to Lack Critical Supports (Washington, DC: National Women's Law Center, 2005), 5, 18; Karen Schulman, Helen Blank, and Danielle Ewen, A Fragile Foundation: State Child Care Assistance Policies (Washington, DC: Children's Defense Fund, 2001), 103.

68 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.

69 Comparable data on tiered rates were not collected for 2001.

70 This state is Hawaii.

71 This state is Massachusetts.

72 This analysis is based on the number of different rate levels, not based on the number of quality levels. The base rate refers to the lowest rate level, regardless of whether the base level is incorporated into the state's quality rating and improvement system (for example, a base rate that is the initial one-star rate in a five-star rating system) or is not a level of the quality rating and improvement system (for example, a base rate that is the rate for providers not participating in a voluntary five-star rating system).

73 Between 2017 and 2018, three states changed how many rate levels they used. New Mexico reduced the number of its rate levels from seven to five. Pennsylvania reduced the number of its rates levels from five to four. Washington reduced the number of its rate levels from five to four as well.

74 Massachusetts is not included in this analysis because it does not have higher rates for higher-quality care for four-year-olds. The state's highest rate for center care for a one-year-old was 25 percent below the 75th percentile of current market rates for this type of care.

75 These thirty-two states include Florida, Hawaii, New Mexico, North Carolina, and Oklahoma, each of which determined a separate 75th percentile of market rates for child care providers at each quality level. In Florida, North Carolina, and Oklahoma, the payment rate at the highest quality was lower than the 75th percentile for each of the state's quality levels. In Hawaii, the payment rate at the highest quality level was lower than the 75th percentile for the state's highest quality level, but above the 75th percentile for the state's lowest quality level. In New Mexico, the payment rate at the highest quality level was lower than the 75th percentile for the state's highest quality level, but above the 75th percentile for each of the state's four lower quality levels.

76 Massachusetts' highest rate for center care for a one-year-old was 3 percent above its lowest rate for this type of care.

77 These four states are Hawaii, Louisiana, Michigan, and Pennsylvania.

78 These two states are Nebraska and New Jersey, both of which increased their lowest rates but kept their highest rates the same.

79 *See* Draft Child Care and Development Fund Plan Preprint for Public Comment, 5.

80 National Women's Law Center, Child Care and Development Fund Plans FY 2016-2018: State Waivers and Corrective Actions.

81 This analysis is based on policies for families not connected to the TANF program. Additional states allowed families receiving or transitioning from TANF to qualify for child care assistance while a parent searched for a job.

82 Some of these states allowed parents to continue receiving child care assistance for three months (or the equivalent) even if they reached the end of their eligibility period before the end of that three-month period for job search, while some of these states only allowed parents to continue receiving child care assistance until the end of their eligibility period, even if the parent had not yet had a full three months to search for a job; see Table 5 notes for more details on each state's policy.

83 States are only counted here if they increased their income limit to qualify for assistance since, as discussed above, this report focuses on the income criteria used to determine a family's eligibility when it first applies for assistance. States are not counted if they only increased their exit eligibility limit, or established a new exit eligibility limit, for families already receiving child care assistance. Georgia, which previously did not have a separate exit eligibility limit, began allowing families already receiving assistance to continue doing so until their income reached 85 percent of state median income ($50,451 a year for a families of three) as of March 2018. (The CCDBG Act of 2014 requires states to allow families to continue receiving child care assistance until the end their twelve-month eligibility period, regardless of temporary changes in their participation in work, training, or education or changes in their income, as long as their income does not exceed 85 percent of state median income, Child Care and Development Block Grant Act of 2014, Pub. L. 113-186, 128 Stat. 1978, 1979 (2014). However, in this report, a state is only considered to have an exit eligibility limit if it allows families to continue receiving assistance up to a higher income limit than the initial eligibility limit when they apply to renew their eligibility at the beginning of a new certification period.)

84 Delaware allows families already receiving child care assistance to continue receiving it until their income reaches 200 percent of the 2018 federal poverty level ($41,560 a year for a family of three) as of September 2018.

85 States are not included here if they had, or expected to have, a reduction in copayments resulting from an annual inflation adjustment to their copayment schedule and its income brackets.

86 In February 2018, Maryland determined copayments based on maximum state payment rates in the region where the family lived; the copayments shown here for February 2018 were calculated assuming that the family was using licensed center care for a four-year-old in the region with the state's highest payment rates. The state planned to stop varying copayments based on region as of February 2019.

87 For states that pay tiered rates, only if the state increased its base rate (the lowest rate) is it included here, and the payment rate increase described is an increase in the base rate. Increases in tiered rates are discussed separately.

88 In addition to these eighteen states, Massachusetts and Oklahoma increased their base payment rates for family child care, but not for centers; and Connecticut planned to increase its base payment rates in December 2018, but as of September 2018 had not yet determined the level at which the new rates would be set.

89 Wisconsin's quality rating and improvement system has five levels; since providers must be at least at the two-star level to serve families receiving child care assistance, this report considers the two-star rate to be the base payment rate. The state increased payment rates for three-star providers caring for children birth through age three by 5 percent as of October 2018; since two-star payment rates are calculated based on three-star payment rates, this change resulted in an increase in two-star payment rates for infant care. In addition, as of October 2018, two-star providers receive a rate that is 1 percent lower than the rate for three-star providers; previously, the rate for two-star providers was 5 percent lower than the rate for three-star providers. This change also contributed to the increase in two-star payment rates.

90 Georgia also began paying 50 percent above the base rate to providers awarded Quality Rated Subsidy Grants, which fund a specific number of slots for children receiving child care assistance at the provider's site, as of October 2018.

91 Under Kentucky's previous quality rating and improvement system, which had four levels, the amount of the bonus above the base rate at each quality level depended on the percentage of children served by the provider that received child care assistance. In addition, accredited providers could receive an additional $2 per day, on top of any bonus for the provider's quality rating. This rate assumes that the provider received the maximum allowable bonus at the four-star level and was accredited.

92 Kentucky's new quality rating and improvement system has five levels. Accredited providers can still receive an additional $2 per day. This rate assumes the provider is at the five-star level and is accredited.

93 Prior to June 2018, Mississippi designated providers as tier two if they met basic licensing/regulatory requirements and tier one if they were accredited or had a director who met certain educational and/or experience criteria; tier one providers received a higher rate.

94 Prior to June 2018, New Jersey had one higher rate level that applied to accredited care; for example, the monthly payment rate for accredited center care for a four-year-old was $604. The state is phasing out the rate for accredited care for centers. School-age providers and family child care providers, which are not eligible the new tiered rates, will still be able to receive the accredited rate.

95 Oklahoma increased its payment rates in these categories for Enhanced Area counties, which included nineteen of the state's seventy-seven counties, by 7 percent, and then increased payment rates in these categories for Standard Area counties, which included the remaining counties and which had received lower rates than those for Enhanced Areas, to match the new rates for Enhanced Areas.

96 In addition to these four states, Utah began allowing parents to continue receiving child care assistance while searching for a job for up to three months after each instance of job loss as of July 2018; prior to that date, parents were only allowed one three-month period to search for a job per twelve-month eligibility period. Similarly, Colorado began requiring counties to allow parents to continue receiving child care assistance for up to thirteen weeks after each instance of the loss of a job or other activity as of September 2018; prior to that date, parents could continue receiving assistance while searching for a job for only thirteen weeks per year.

97 Prior to October 2018, Massachusetts allowed parents receiving child care assistance to continue to receive it while searching for a job for an additional four weeks (on top of the initial eight weeks allowed), but only in extraordinary circumstances. In addition, prior to October 2018, Massachusetts allowed parents to continue receiving child care assistance while searching for a job for eight weeks once within a fifty-two-week period; as of October 2018, parents can continue receiving assistance while searching for a job for twelve weeks multiple times during their eligibility period.

98 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, FY 2016 Preliminary Data Table 1 - Average Monthly Adjusted Number of Families and Children Served, *available at* https://www.acf.hhs.gov/occ/resource/fy-2016-preliminary-data-table-1.

99 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, FY 2015 Final Data Table 1 - Average Monthly Adjusted Number of Families and Children Served, *available at* https://www.acf.hhs.gov/occ/resource/fy-2015-final-data-table-1.

100 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, FY 2001 CCDF Data Tables and Charts, Table 1 - Child Care and Development Fund Average Monthly Adjusted Number of Families and Children Served, *available at* http://www.acf.hhs.gov/sites/default/files/occ/fy2001tables1.pdf.

101 The number of related children under age six living in low-income families (families with incomes below 200 percent of poverty) was 9.6 million in 2016, compared to 9.5 million in 2001. Jessica L. Semega, Kayla R. Fontenot, and Melissa A. Kollar, U.S. Census Bureau, Current Population Reports, P60-259, Income and Poverty in the United States: 2016 (Washington, DC: U.S. Government Printing Office, 2017), 17, *available at* https://www.census.gov/content/dam/Census/library/publications/2017/demo/P60-259.pdf; U.S. Census Bureau, Current Population Survey, March 2002, Detailed Poverty Table 22. Age, Gender, Household Relationship, Race and Hispanic Origin - Poverty Status of People by Selected Characteristics in 2001, *retrieved from* http://www.census.gov/hhes/www/cpstables/macro/032002/pov/new22_008.htm.

102 Nina Chien, Factsheet: Estimates of Child Care Eligibility and Receipt for Fiscal Year 2013 (Washington, DC: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 2017), *available at* https://aspe.hhs.gov/system/files/pdf/258491/ChildCareSubsidyEligibility.pdf.

TABLE 1A: INCOME ELIGIBILITY LIMITS FOR A FAMILY OF THREE IN 2017 AND 2018

	Income limit in 2018			Income limit in 2017			Change in income limit 2017 to 2018		
State	As annual dollar amount	As percent of 2018 federal poverty level ($20,780 a year)	As percent of state median income	As annual dollar amount	As percent of 2017 federal poverty level ($20,420 a year)	As percent of state median income	As annual dollar amount	As percent of poverty	As percent of state median income
Alabama*	$26,544	128%	46%	$26,208	128%	46%	$336	-1%	0%
Alaska*	$61,872	298%	77%	$54,288	266%	67%	$7,584	32%	10%
Arizona*	$33,708	162%	58%	$33,264	163%	59%	$444	-1%	0%
Arkansas*	$43,803	211%	85%	$30,926	151%	61%	$12,877	59%	24%
California*	$52,076	251%	77%	$42,216	207%	62%	$9,860	44%	14%
Colorado*	$33,693-$63,889	162%-307%	45-85%	$33,264-$62,781	163%-307%	45%-85%	$429-$1,108	-1%-0%	0%
Connecticut*	$46,263	223%	50%	$45,609	223%	50%	$654	-1%	0%
Delaware*	$40,848	197%	54%	$40,320	197%	54%	$528	-1%	0%
District of Columbia*	$51,050	246%	63%	$45,775	224%	55%	$5,275	22%	8%
Florida*	$30,630	147%	53%	$30,240	148%	53%	$390	-1%	0%
Georgia*	$29,677	143%	50%	$29,456	144%	50%	$221	-1%	0%
Hawaii	$47,124	227%	62%	$47,124	231%	63%	$0	-4%	-1%
Idaho*	$26,556	128%	49%	$26,208	128%	49%	$348	-1%	0%
Illinois*	$37,788	182%	52%	$32,664	160%	45%	$5,124	22%	7%
Indiana*	$25,932	125%	42%	$25,608	125%	42%	$324	-1%	0%
Iowa*	$29,616	143%	43%	$29,232	143%	43%	$384	-1%	0%
Kansas*	$37,788	182%	57%	$37,296	183%	57%	$492	-1%	0%
Kentucky*	$32,676	157%	55%	$32,256	158%	55%	$420	-1%	0%
Louisiana*	$32,208	155%	52%	$31,860	156%	52%	$348	-1%	0%
Maine*	$56,227	271%	84%	$54,589	267%	83%	$1,638	3%	2%
Maryland*	$29,990	144%	32%	$29,990	147%	33%	$0	-3%	0%
Massachusetts*	$46,280	223%	50%	$45,771	224%	50%	$509	-1%	0%
Michigan*	$26,556	128%	40%	$25,116	123%	38%	$1,440	5%	2%
Minnesota*	$37,961	183%	47%	$37,264	182%	47%	$697	0%	0%
Mississippi*	$42,999	207%	85%	$42,999	211%	86%	$0	-4%	-1%
Missouri*	$27,816	134%	44%	$27,816	136%	45%	$0	-2%	-1%
Montana*	$30,240	146%	49%	$30,240	148%	50%	$0	-3%	-1%
Nebraska*	$26,544	128%	39%	$26,208	128%	40%	$336	-1%	0%
Nevada*	$26,544	128%	46%	$26,208	128%	45%	$336	-1%	0%
New Hampshire*	$44,924	216%	52%	$50,400	247%	60%	-$5,476	-31%	-7%
New Jersey*	$40,840	197%	44%	$40,320	197%	44%	$520	-1%	0%
New Mexico*	$40,840	197%	79%	$40,320	197%	78%	$520	-1%	2%
New York*	$40,840	197%	55%	$40,320	197%	54%	$520	-1%	0%
North Carolina*	$40,836	197%	69%	$40,176	197%	68%	$660	0%	1%
North Dakota	$45,732	220%	60%	$44,724	219%	60%	$1,008	1%	0%
Ohio*	$26,556	128%	40%	$26,208	128%	40%	$348	-1%	0%
Oklahoma*	$35,100	169%	63%	$35,100	172%	63%	$0	-3%	-1%
Oregon*	$37,788	182%	61%	$37,296	183%	61%	$492	-1%	0%
Pennsylvania*	$40,840	197%	56%	$40,320	197%	56%	$520	-1%	0%
Rhode Island*	$36,756	177%	47%	$36,288	178%	47%	$468	-1%	0%
South Carolina*	$31,122	150%	55%	$30,240	148%	54%	$882	2%	1%
South Dakota*	$37,225	179%	57%	$36,750	180%	57%	$475	-1%	0%
Tennessee*	$47,856	230%	84%	$47,856	234%	85%	$0	-4%	-1%
Texas*	$30,636-$51,780	147%-249%	50%-85%	$37,296-$50,913	183%-249%	62%-85%	-$6,660-$867	-35%-0%	-12%-0%
Utah*	$36,647	176%	59%	$35,676	175%	58%	$971	2%	0%
Vermont*	$61,260	295%	85%	$60,480	296%	85%	$780	-1%	-1%
Virginia*	$30,630-$51,060	147%-246%	38%-64%	$30,240-$50,400	148%-247%	38%-63%	$390-$660	-1%	0%-1%
Washington*	$40,848	197%	55%	$40,320	197%	55%	$528	-1%	0%
West Virginia*	$30,636	147%	52%	$29,688	145%	51%	$948	2%	1%
Wisconsin*	$37,777	182%	53%	$37,777	185%	54%	$0	-3%	-1%
Wyoming*	$38,136	184%	55%	$37,680	185%	55%	$456	-1%	0%

TABLE 1B: INCOME ELIGIBILITY LIMITS FOR A FAMILY OF THREE IN 2001 AND 2018

	Income limit in 2018			Income limit in 2001			Change in income limit 2001 to 2018		
State	As annual dollar amount	As percent of 2018 federal poverty level ($20,780 a year)	As percent of state median income	As annual dollar amount	As percent of 2001 federal poverty level ($14,630 a year)	As percent of state median income	As annual dollar amount	As percent of poverty	As percent of state median income
Alabama*	$26,544	128%	46%	$18,048	123%	41%	$8,496	4%	5%
Alaska*	$61,872	298%	77%	$44,328	303%	75%	$17,544	-5%	2%
Arizona*	$33,708	162%	58%	$23,364	160%	52%	$10,344	3%	6%
Arkansas*	$43,803	211%	85%	$23,523	161%	60%	$20,280	50%	25%
California*	$52,076	251%	77%	$35,100	240%	66%	$16,976	11%	11%
Colorado*	$33,693-$63,889	162%-307%	45-85%	$19,020-$32,000	130%-219%	36%-61%	$14,244-$31,889	32%-89%	9%-24%
Connecticut*	$46,263	223%	50%	$47,586	325%	75%	-$1,323	-103%	-25%
Delaware*	$40,848	197%	54%	$29,260	200%	53%	$11,588	-3%	1%
District of Columbia*	$51,050	246%	63%	$34,700	237%	66%	$16,350	8%	-3%
Florida*	$30,630	147%	53%	$20,820	142%	45%	$9,810	5%	9%
Georgia*	$29,677	143%	50%	$24,278	166%	50%	$5,399	-23%	0%
Hawaii*	$47,124	227%	62%	$46,035	315%	83%	$1,089	-88%	-20%
Idaho*	$26,556	128%	49%	$20,472	140%	51%	$6,084	-12%	-2%
Illinois*	$37,788	182%	52%	$24,243	166%	43%	$13,545	16%	9%
Indiana*	$25,932	125%	42%	$20,232	138%	41%	$5,700	-13%	0%
Iowa*	$29,616	143%	43%	$19,812	135%	41%	$9,804	7%	3%
Kansas*	$37,788	182%	57%	$27,060	185%	56%	$10,728	-3%	1%
Kentucky*	$32,676	157%	55%	$24,140	165%	55%	$8,536	-8%	0%
Louisiana*	$32,208	155%	52%	$29,040	205%	75%	$3,168	-50%	-23%
Maine*	$56,227	271%	84%	$36,452	249%	75%	$19,775	21%	9%
Maryland*	$29,990	144%	32%	$25,140	172%	40%	$4,850	-28%	-8%
Massachusetts*	$46,280	223%	50%	$28,968	198%	48%	$17,312	25%	2%
Michigan*	$26,556	128%	40%	$26,064	178%	47%	$492	-50%	-7%
Minnesota*	$37,961	183%	47%	$42,304	289%	76%	-$4,343	-106%	-29%
Mississippi*	$42,999	207%	85%	$30,999	212%	77%	$12,000	-5%	8%
Missouri*	$27,816	134%	44%	$17,784	122%	37%	$10,032	12%	6%
Montana*	$30,240	146%	49%	$21,948	150%	51%	$8,292	-4%	-2%
Nebraska*	$26,544	128%	39%	$25,260	173%	54%	$1,284	-45%	-15%
Nevada*	$26,544	128%	46%	$33,420	228%	67%	-$6,876	-101%	-21%
New Hampshire*	$44,924	216%	52%	$27,797	190%	50%	$17,127	26%	2%
New Jersey*	$40,840	197%	44%	$29,260	200%	46%	$11,580	-3%	-2%
New Mexico*	$40,840	197%	79%	$28,300	193%	75%	$12,540	3%	4%
New York*	$40,840	197%	55%	$28,644	202%	61%	$12,196	-5%	-6%
North Carolina*	$40,836	197%	69%	$32,628	223%	69%	$8,208	-27%	0%
North Dakota	$45,732	220%	60%	$29,556	202%	69%	$16,176	18%	-9%
Ohio*	$26,556	128%	40%	$27,066	185%	57%	-$510	-57%	-18%
Oklahoma*	$35,100	169%	63%	$29,040	198%	66%	$6,060	-30%	-4%
Oregon*	$37,788	182%	61%	$27,060	185%	60%	$10,728	-3%	1%
Pennsylvania*	$40,840	197%	56%	$29,260	200%	58%	$11,580	-3%	-2%
Rhode Island*	$36,756	177%	47%	$32,918	225%	61%	$3,838	-48%	-14%
South Carolina*	$31,122	150%	55%	$21,225	145%	45%	$9,897	5%	10%
South Dakota*	$37,225	179%	57%	$22,826	156%	52%	$14,399	23%	5%
Tennessee*	$47,856	230%	84%	$24,324	166%	56%	$23,532	64%	28%
Texas*	$30,636-$51,780	147%-249%	50%-85%	$21,228-$36,516	145%-250%	47%-82%	$9,408-$15,264	0%-2%	3%
Utah*	$36,647	176%	59%	$28,248	193%	59%	$8,399	-17%	0%
Vermont*	$61,260	295%	85%	$31,032	212%	64%	$30,228	83%	21%
Virginia*	$30,630-$51,060	147%-246%	38%-64%	$21,948-$27,060	150%-185%	41%-50%	$8,682-$24,000	-3%-61%	-2%-14%
Washington*	$40,848	197%	55%	$32,916	225%	63%	$7,932	-28%	-7%
West Virginia*	$30,636	147%	52%	$28,296	193%	75%	$2,340	-46%	-22%
Wisconsin*	$37,777	182%	53%	$27,060	185%	51%	$10,717	-3%	2%
Wyoming*	$38,136	184%	55%	$21,948	150%	47%	$16,188	34%	8%

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

The income eligibility limits shown in the tables 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. (The CCDBG Act of 2014 requires states to allow families receiving assistance to continue doing so until the end of their 12-month eligibility period, regardless of temporary changes in participation in work, training, or education or increases in income, unless their income exceeds 85 percent of state median income. However, exit eligibility limits are only reported below if they apply not solely prior to the end of the eligibility period, but also when determining whether a family can renew its eligibility for assistance at the beginning of a new certification period.)

Changes in income limits were calculated using raw data, rather than the rounded numbers shown in the table. All income limits given as dollar amounts below are annual amounts for a family of three.

State income limits were calculated in the table as a percentage of state median income using the state median income estimates reported annually in the Federal Register for use in the Low Income Home Energy Assistance Program (LIHEAP); these estimates are prepared by the U.S. Census Bureau based on multiple years of American Community Survey data. Some states use alternative state median income estimates as the basis for setting their income limits.

Data in the tables for 2018 reflect policies as of February 2018, data in the tables for 2017 reflect policies as of February 2017, and data in the tables for 2001 reflect policies as of June 2001, unless otherwise indicated. Certain changes in policies since February 2018 are noted below.

Alabama: In 2001, families already receiving assistance could continue doing so until their income reached $27,756. In 2017, the exit eligibility limit was $47,304, and in 2018, it was $48,792. As of October 2018, the income limit to qualify for assistance was expected to be increased to $27,014 (130 percent of poverty) to adjust for the 2018 federal poverty level, and the exit eligibility limit was expected to be increased to $50,251 (85 percent of state median income) to adjust for the updated state median income estimate.

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

Arizona: In 2018, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional three months after their recertification, if their income did not exceed $49,056 (85 percent of state median income). As of October 2018, the income limit to qualify for assistance was increased to $34,287 (165 percent of poverty) to adjust for the 2018 federal poverty level.

Arkansas: In 2017, families already receiving assistance could continue doing so until their income reached $43,812. The state did not have a separate exit eligibility limit in 2001 or 2018. Also note that the income limit shown in Table 1b for 2001 takes into account a deduction of $100 per month ($1,200 per year) that was allowed for an adult household member who worked at least 30 hours per week, assuming there was one working parent. The stated income limit, in policy, was $22,323 in 2001. The state no longer used the deduction in 2017 or 2018.

California: Under policies in effect in 2001, families that 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 limits previously in effect. In 2017, two counties (San Mateo and San Francisco) allowed families already receiving assistance to continue doing so up to an income of $56,904. In 2018, statewide, families already receiving assistance could continue doing so until their income reached $63,235. As of July 2018, the income limit to qualify for assistance was increased to $54,027 (70 percent of state median income), and the exit eligibility limit was increased to $65,604 (85 percent of state median income), to adjust for the updated state median income estimate.

Colorado: Counties set their income limits to qualify for assistance within state guidelines; the ranges in the tables reflect the minimum and maximum income limits allowed by the state. In 2001 and 2017, counties could allow families already receiving assistance to continue doing so up to an exit eligibility limit that was higher than the county's initial eligibility limit. In February 2018, counties with an initial eligibility limit below $37,777 (185 percent of the 2017 federal poverty level) were required to have a higher exit eligibility limit; counties with initial eligibility limits above this amount could choose whether to have a separate exit eligibility limit. As of September 2018, all counties are required to set their initial eligibility limit at a minimum of 185 percent of poverty and their exit eligibility limit at 85 percent of state median income. As of October 2018, the maximum level at which counties are allowed to set their income limits was increased to $65,135 (85 percent of state median income) to adjust for the updated state median income estimate.

Connecticut: As of October 2018, the income limit was increased to $47,271 (50 percent of state median income) to adjust for the updated state median income estimate.

Delaware: As of September 2018, the income limit to qualify for assistance was reduced to $38,443 (185 percent of poverty); families already receiving assistance could continue doing so until their income reached $41,560 (200 percent of poverty).

District of Columbia: In 2001, families already receiving assistance could continue doing so until their income reached $41,640. In 2017, the exit eligibility limit was $51,101. In 2018, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional 90 days after their recertification, if their income did not exceed $57,176 (70 percent of state median income).

Florida: In 2017, families already receiving assistance could continue doing so until their income reached $46,955. In 2018, the exit eligibility limit was $48,297. As of July 2018, the income limit to qualify for assistance was increased to $31,170 (150 percent of poverty) to adjust for the 2018 federal poverty level, and the exit eligibility limit was increased to $49,753 (85 percent of state median income) to adjust for the updated state median income estimate.

Georgia: As of March 2018, the state began allowing families already receiving assistance to continue doing so, without a time limit, until their income reached $50,451. As of October 2018, the income limit to qualify for assistance was increased to $30,745 (50 percent of state median income), and the exit eligibility limit was increased to $52,266 (85 percent of state median income), to adjust for the updated state median income estimate.

Hawaii: The income limit shown in Table 1b for 2001 takes into account a 20 percent deduction of all countable income. The stated income limit, in policy, was $36,828. The state no longer used the deduction in 2017 or 2018.

Idaho: In 2017 and 2018, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional three months after their recertification, if their income did not exceed $45,864 (85 percent of state median income). As of July 2018, families already receiving assistance whose income exceeds the initial eligibility limit to qualify for assistance can continue receiving assistance, for up to an additional 12 months after their recertification, if their income does not exceed $31,170 (150 percent of poverty). The state did not have a separate exit eligibility limit in 2001. As of October 2018, the income limit to qualify for assistance was increased to $27,024 (130 percent of poverty) to adjust for the 2018 federal poverty level.

Illinois: In 2017, families already receiving assistance could continue doing so until their income reached $37,296. The state did not have a separate exit eligibility limit in 2001 or 2018. As of July 2018, the income limit was increased to $38,448 (185 percent of poverty) to adjust for the 2018 federal poverty level. Also note that the income limit shown in Table 1b for 2001 takes into account a 10 percent earned income deduction. The stated income limit, in policy, was $21,819. The state no longer used the deduction in 2017 or 2018.

Indiana: In 2017, families already receiving assistance could continue doing so until their income reached $51,624. In 2018, the exit eligibility limit was $53,028 (85 percent of state median income).

Iowa: In 2017, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional 12 months after their recertification, if their income did not exceed $56,616. In 2018, the exit eligibility limit for this graduated phase-out period was $57,336. The state did not have a separate exit eligibility limit in 2001. Also note that for special needs care, the income limit to qualify for assistance was $40,320 in 2017 and $40,840 in 2018. As of July 2018, the income limit to qualify for assistance was increased to $30,132 (145 percent of poverty) for standard care and $41,560 (200 percent of poverty) for special needs care to adjust for the 2018 federal poverty level, and the exit eligibility limit for the graduated phase-out period was increased to $58,020 (85 percent of state median income) to adjust for the updated state median income estimate.

Kansas: In 2017, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional three months after their recertification, if their income did not exceed $54,060. In 2018, the exit eligibility limit for this graduated phase-out period was $55,524. The state did not have a separate exit eligibility limit in 2001. As of May 2018, the income limit to qualify for assistance was increased to $38,448 (185 percent of poverty) to adjust for the 2018 federal poverty level, and the exit eligibility limit for the graduated phase-out period was increased to $56,376 (85 percent of state median income) to adjust for the updated state median income estimate.

Kentucky: In 2017, families already receiving assistance could continue doing so until their income reached $33,264. In 2018, the exit eligibility limit was $33,696. The state did not have a separate exit eligibility limit in 2001. As of April 2018, the income limit to qualify for assistance was increased to $33,256 (160 percent of poverty), and the exit eligibility limit was increased to $34,287 (165 percent of poverty), to adjust for the 2018 federal poverty level.

Louisiana: In 2018, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional two months after their recertification, if their income did not exceed $49,776 (85 percent of the 2015 state median income). Also note that data on the state's policies as of 2001 are not available, so data on policies as of March 15, 2000 are used instead.

Maine: As of April 2018, the income limit was increased to $56,575 (85 percent of state median income) to adjust for the updated state median income estimate.

Maryland: In 2018, families already receiving assistance could continue doing so until their income reached $78,567 (85 percent of state median income). The state did not have a separate exit eligibility limit in 2001 or 2017. As of July 2018, the income limit to qualify for assistance was increased to $60,081 (65 percent of state median income).

Massachusetts: In 2001, families already receiving assistance could continue doing so until their income reached $49,248. In 2017, the exit eligibility limit was $77,810, and in 2018, it was $78,676. Also note that, for special needs care, the income limit to qualify for assistance was $77,810 in 2017 and $78,676 in 2018, and the exit eligibility limit was $91,542 in 2017 and $92,560 in 2018. As of August 2018, the income limit to qualify for assistance was increased to $47,802 (50 percent of state median income) for standard care and $81,264 (85 percent of state median income) for special needs care, and the exit eligibility limit was increased to $81,264 for standard care and $95,605 (100 percent of state median income) for special needs care, to adjust for the updated state median income estimate.

Michigan: In 2017, families already receiving assistance could continue doing so until their income reached $53,532. In 2018, the exit eligibility limit was $56,460 (85 percent of state median income). The state did not have a separate exit eligibility limit in 2001.

Minnesota: In 2017, families already receiving assistance could continue doing so until their income reached $53,121. In 2018, the exit eligibility limit was $54,115. The state did not have a separate exit eligibility limit in 2001. As of October 2018, the income limit to qualify for assistance was increased to $39,455 (47 percent of state median income), and the exit eligibility limit was increased to $56,244 (67 percent of state median income), to adjust for the updated state median income estimate.

Mississippi: As of October 2018, the income limit was increased to $43,680 (85 percent of state median income) to adjust for the updated state median income estimate.

Missouri: In 2017 and 2018, families already receiving assistance could continue doing so until their income reached $43,344 (215 percent of the 2016 federal poverty level). The state did not have a separate exit eligibility limit in 2001.

Montana: In 2017, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional six months after their recertification, if their income did not exceed $37,296. In 2018, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional 12 months after their recertification, if their income did not exceed $37,296. The state did not have a separate exit eligibility limit in 2001. As of October 2018, the income limit to qualify for assistance was increased to $31,176 (150 percent of poverty), and the exit eligibility limit for the graduated phase-out period was increased to $38,448 (185 percent of poverty), to adjust for the 2018 federal poverty level.

Nebraska: In 2017, families already receiving assistance could continue doing so until their income reached $37,296. In 2018, the exit eligibility limit was $37,776. The state did not have a separate exit eligibility limit in 2001. In addition, as of July 2014, the state began disregarding 10 percent of a family's income at redetermination if the family had been continuously eligible for assistance for 12 months. As of July 2018, the income limit to qualify for assistance was increased to $27,012 (130 percent of poverty), and the exit eligibility limit was increased to $38,448 (185 percent of poverty), to adjust for the 2018 federal poverty level. Also note that for families transitioning from TANF, the income limit to qualify for child care assistance was $37,296 in 2017, $37,776 in 2018, and, as of July 2018, was adjusted to $38,448.

Nevada: For contracted slots (which are mostly used for before- and after-school programs) and wrap-around services (which are services provided before and after Head Start programs), the income limit to qualify for assistance was $49,248 in 2017 and $49,524 in 2018. Also note that in 2017, families already receiving assistance (through either certificates or contracts) could continue doing so until their income reached $49,248. In 2018, the exit eligibility limit was $49,524 (85 percent of state median income). The state did not have a separate exit eligibility limit in 2001.

New Hampshire: In 2018, families already receiving assistance could continue doing so until their income reached $51,050. The state did not have a separate exit eligibility limit in 2001 or 2017. As of July 2018, the income limit to qualify for assistance was increased to $45,716 (220 percent of poverty), and the exit eligibility limit was increased to $51,950 (250 percent of poverty), to adjust for the 2018 federal poverty level.

New Jersey: In 2001, families already receiving assistance could continue doing so until their income reached $36,575. In 2017, the exit eligibility limit was $50,400, and in 2018, it was $51,050. In 2018, the state also allowed families already receiving assistance to continue receiving it for a graduated phase-out period of 12 months if their incomes were between $51,050 and $78,616. As of March 2018, the income limit to qualify for assistance was increased to $41,560 (200 percent of poverty), and the exit eligibility limit was increased to $51,950 (250 percent of poverty), to adjust for the 2018 federal poverty level, and the income limit for the graduated phase-out period was increased to $79,608 (85 percent of state median income) to adjust for the updated state median income estimate.

New Mexico: As of April 2018, the income limit was increased to $41,560 (200 percent of poverty) to adjust for the 2018 federal poverty level.

New York: Data on the state's policies as of 2001 are not available, so data on policies as of March 15, 2000 are used instead. As of June 2018, the income limit was increased to $41,560 (200 percent of poverty) to adjust for the 2018 federal poverty level. Also note that a few small demonstration projects set the income limit at $51,408 in 2017 and $52,071 in 2018.

North Carolina: The income limits shown in the tables for 2017 and 2018 apply to families with children birth through age five and families with children of any age who have special needs; the income limit for families with children ages six to 13 without special needs was $26,724 in 2017 and $27,156 (133 percent of poverty) in 2018. This separate income limit for families with older children went into effect in October 2014. Also note that, in 2017, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional three months after their recertification, if their income did not exceed $48,342. In 2018, the exit eligibility limit for this graduated phase-out period was $49,980 (85 percent of state median income).

Ohio: In 2017, families already receiving assistance could continue doing so until their income reached $60,480. In 2018, the exit eligibility limit was $61,260. The state did not have a separate exit eligibility limit in 2001. As of October 2018, the income limit to qualify for assistance was increased to $27,014 (130 percent of poverty), and the exit eligibility limit was increased to $62,340 (300 percent of poverty), to adjust for the 2018 federal poverty level.

Oklahoma: The income limit depends on how many children are in child care. The income limits shown in the tables assume that the family was receiving assistance for two children in care. The income limit for a family receiving assistance for only one child in care was $29,100 in 2017 and 2018. In 2018, families already receiving assistance could continue doing so until their income reached $47,712 (85 percent of state median income). The state did not have a separate exit eligibility limit in 2001 or 2017.

Oregon: In 2017, families already receiving assistance could continue doing so until their income reached $50,400. In 2018, the exit eligibility limit was $51,780. The state did not have a separate exit eligibility limit in 2001. As of March 2018, the income limit to qualify for assistance was increased to $38,448 (185 percent of poverty) to adjust for the 2018 federal poverty level, and the exit eligibility limit was increased to $52,860 (85 percent of state median income) to adjust for the updated state median income estimate.

Pennsylvania: In 2001, families already receiving assistance could continue doing so until their income reached $34,381. In 2017, the exit eligibility limit was $47,376, and in 2018, it was $47,987. As of May 2018, the income limit to qualify for assistance was increased to $41,560 (200 percent of poverty), and the exit eligibility limit was increased to $48,883 (235 percent of poverty), to adjust for the 2018 federal poverty level.

Rhode Island: In 2017, families already receiving assistance could continue doing so until their income reached $45,360. In 2018, the exit eligibility limit was $45,945. The state did not have a separate exit eligibility limit in 2001. As of June 2018, the income limit to qualify for assistance was increased to $37,404 (180 percent of poverty), and the exit eligibility limit was increased to $46,755 (225 percent of poverty), to adjust for the 2018 federal poverty level.

South Carolina: In 2001, families already receiving assistance could continue doing so until their income reached $24,763. In 2017, the exit eligibility limit was $47,511, and in 2018, it was $48,098. As of October 2018, the income limit to qualify for assistance was expected to increase to $32,450 (55 percent of state median income), and the exit eligibility limit was expected to increase to $50,150 (85 percent of state median income), to adjust for the updated state median income estimate.

South Dakota: The income limits shown in the tables take into account that the state disregards 4 percent of earned income. The stated income limits, in policy, were $21,913 in 2001, $35,280 in 2017, and $35,736 in 2018. As of March 2018, the stated income limit to qualify for assistance was increased to $36,372 (175 percent of poverty) to adjust for the 2018 federal poverty level. Also note that in 2017, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional two months after their recertification, if their stated income did not exceed $54,629. In 2018, the stated exit eligibility limit for this graduated phase-out period was $55,368 (85 percent of state median income). The state did not have a separate exit eligibility limit in 2001.

Tennessee: The income limits shown in the table for 2017 and 2018 apply to teen parents and families receiving assistance through Smart Steps—a program launched in June 2016 that serves parents who are working or pursuing postsecondary education and who are not receiving or transitioning from TANF. The income limit for other families was $33,780 in 2017 and $34,176 (60 percent of state median income) in 2018.

Texas: Local workforce development boards set their income limits to qualify for assistance within state guidelines; the ranges shown in the tables indicate the lowest and highest income limits set by local boards. In addition, all local workforce development boards allowed families already receiving assistance to continue doing so up to an income of $51,780 in 2018. As of October 2018, the maximum income at which local boards can set their eligibility limits was increased to $53,472 (85 percent of state median income) to adjust for the updated state median income estimate.

Utah: The income limits shown in the tables take into account a standard deduction of $100 per month ($1,200 per year) for each working parent, assuming there is one working parent in the family, and a standard deduction of $100 per month ($1,200 per year) for all families to help cover any medical expenses. The stated income limits, in policy, were $25,848 in 2001, $33,276 in 2017, and $34,247 in 2018. Also note that in 2017, families already receiving assistance could continue doing so up to a stated income limit of $41,592. In 2018, the stated exit eligibility limit was $42,804. The stated income limit for special needs care was $50,508 in 2017 and $51,984 in 2018. As of October 2018, for standard care, the stated income limit to qualify for assistance was increased to $35,015 (56 percent of state median income) and the stated exit eligibility limit was increased to $43,769 (70 percent of state median income), and for special needs care, the stated income limit was increased to $53,148 (85 percent of state median income), to adjust for the updated state median income estimate.

Vermont: In 2018, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional 12 months after their recertification, if their income did not exceed $62,676 (85 percent of state median income). The state did not have a separate exit eligibility limit in 2001 or 2017. As of July 2018, the income limit to qualify for assistance was increased to $62,340 (300 percent of poverty) to adjust for the 2018 federal poverty level.

Virginia: The state has different income limits for different regions of the state. In 2001, the state had three separate regional income limits, which were: $21,948, $23,400, and $27,060. In 2017, the state had four separate regional income limits: $30,240, $32,256, $37,296, and $50,400. In 2018, the state also had four separate regional income limits: $30,630, $32,672, $37,777, and $51,060. As of October 2018, the income limits were increased to $31,176 (150 percent of poverty), $33,252 (160 percent of poverty), $38,448 (185 percent of poverty), and $51,960 (250 percent of poverty) to adjust for the 2018 federal poverty level.

Washington: In 2017, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional three months after their recertification, if their income did not exceed $44,352. In 2018, the exit eligibility limit for this graduated phase-out period was $44,928. The state did not have a separate exit eligibility limit in 2001. As of April 2018, the income limit to qualify for assistance was increased to $41,568 (200 percent of poverty), and the exit eligibility limit for the graduated phase-out period was increased to $45,708 (220 percent of poverty), to adjust for the 2018 federal poverty level.

West Virginia: In 2017, families already receiving assistance could continue doing so until their income reached $36,612. In 2018, the exit eligibility limit was $37,776 (185 percent of the 2017 federal poverty level). The state did not have a separate exit eligibility limit in 2001.

Wisconsin: In 2001, families already receiving assistance could continue doing so until their income reached $29,256. In 2017 and 2018, the exit eligibility limit was $40,840. As of March 2018, the income limit to qualify for assistance was increased to $38,444 (185 percent of poverty), and the exit eligibility limit was increased to $41,556 (200 percent of poverty), to adjust for the 2018 federal poverty level.

Wyoming: The income limits shown in the tables for 2017 and 2018 take into account a standard deduction of $200 per month ($2,400 per year) for each working parent, assuming there is one working parent in the family. The stated income limits, in policy, were $35,280 in 2017 and $35,736 in 2018. Also note that in 2001, families already receiving assistance could continue doing so until their income reached $27,060. In 2017, the stated exit eligibility limit was $45,360 and in 2018, it was $45,948. As of April 2018, the stated income limit to qualify for assistance was increased to $36,360 (175 percent of poverty), and the stated exit eligibility limit was increased to $46,752 (225 percent of poverty), to adjust for the 2018 federal poverty level.

TABLE 2: WAITING LISTS FOR CHILD CARE ASSISTANCE

State	Number of children or families on waiting list as of early 2018	Number of children or families on waiting list as of early 2017	Number of children or families on waiting list as of December 2001
Alabama*	2,351 children	6,632 children	5,089 children
Alaska	No waiting list	No waiting list	588 children
Arizona*	755 children	6,493 children	No waiting list
Arkansas*	2,244 children	1,870 children	8,000 children
California*	Waiting lists at local level	Waiting lists at local level	280,000 children (estimated)
Colorado*	1,518 children	767 children	Waiting lists at local level
Connecticut*	No waiting list	3,540 families	No waiting list
Delaware	No waiting list	No waiting list	No waiting list
District of Columbia*	No waiting list	No waiting list	9,124 children
Florida*	29,553 children	28,835 children	46,800 children
Georgia*	Frozen intake	Frozen intake	16,099 children
Hawaii	No waiting list	No waiting list	No waiting list
Idaho	No waiting list	No waiting list	No waiting list
Illinois	No waiting list	No waiting list	No waiting list
Indiana*	12,496 children	5,658 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*	4,563 children	No waiting list	No waiting list
Maine	No waiting list	No waiting list	2,000 children
Maryland*	No waiting list	4,042 children	No waiting list
Massachusetts*	20,202 children	24,202 children	18,000 children
Michigan	No waiting list	No waiting list	No waiting list
Minnesota*	2,376 families	5,267 families	4,735 children
Mississippi*	16,103 families	21,050 children	10,422 children
Missouri	No waiting list	No waiting list	No waiting list
Montana	No waiting list	No waiting list	Waiting lists at local level
Nebraska	No waiting list	No waiting list	No waiting list
Nevada*	No waiting list	2,114 children	No waiting list
New Hampshire	No waiting list	No waiting list	No waiting list
New Jersey*	No waiting list	No waiting list	9,800 children
New Mexico*	2,318 children	751 children	No waiting list
New York*	Waiting lists at local level	Waiting lists at local level	Waiting lists at local level
North Carolina*	50,742 children	26,608 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*	1,890 children	No waiting list	No waiting list
Pennsylvania*	9,551 children	12,520 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*	No waiting list	No waiting list	9,388 children (and frozen intake)
Texas*	65,444 children	41,593 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*	3,728 children	9,611 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

NOTES FOR TABLE 2: WAITING LISTS FOR CHILD CARE ASSISTANCE

Data in the tables for 2018 reflect policies as of February 2018, and data in the tables for 2017 reflect policies as of February 2017, unless otherwise indicated.

Alabama: Families receiving TANF that are participating in the JOBS employment program, families that have transitioned from TANF assistance within the past six months and are employed, minor parents working toward the completion of a high school diploma or a GED, families receiving protective services, foster families, homeless families, and children participating in the Early Head Start-Child Care Partnership program are served without being placed on the waiting list. Also note that data for December 2001 are not available so data from November 2001 are used instead.

Arizona: Families receiving or transitioning from TANF who need child care for employment, families receiving TANF and with parents participating in the state's employment and training program, families referred by the Department of Child Safety, and families who reside in a homeless or domestic violence shelter are served without being placed on the waiting list.

Arkansas: The waiting list total for 2017 is from July 2017. Families receiving TANF, families receiving Extended Support Services (which are available to certain families who lose eligibility for TANF due to earnings), foster families, and families receiving protective services are served without being placed on the waiting list. The state was serving all eligible children on the waiting list and no longer placing additional children on a waiting list as of August 2018.

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

Colorado: Waiting lists are kept at the county level, rather than at the state level. Four counties had waiting lists in 2001, but data on the total number of children on waiting lists in counties that had them are not available. In addition, four counties had frozen intake in 2001. The waiting list totals for 2017 and 2018 are the totals of reported county waiting lists. Counties have the option to allow certain groups of families to be served without being placed on the waiting list; these groups include households with incomes at or below 130 percent of poverty, teen parents, children with additional care needs, homeless families, and other groups defined by the county based on local needs.

Connecticut: In 2017, families receiving TANF were served without being placed on the waiting list; all other families applying for child care assistance were being placed on the waiting list. The waiting list total for 2017 is from May 2017.

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

Florida: Families receiving TANF and subject to federal work requirements and children up to age nine receiving protective services, although not statutorily exempt from the waiting list, are prioritized for child care assistance.

Georgia: As of August 2016, the state froze intake for families who did not meet priority criteria. In February 2018, the state no longer referred to its policy as frozen intake, but it only served families who met the priority criteria. Children and families that received priority for child care assistance as of February 2018 included families participating in TANF, children with special needs, grandparents raising grandchildren, children with court-ordered supervision, children receiving protective services, foster children, parents ages 20 or younger, homeless families, families experiencing domestic violence, families with children participating in the state-funded prekindergarten program, families experiencing state- or federally declared natural disasters, and families with very low incomes (defined as families with incomes below 50 percent of poverty as of February 2018 and as families with incomes below 100 percent of poverty as of May 2018).

Indiana: In 2001, in addition to the waiting list, some counties had frozen intake. Families receiving TANF and with parents participating in the state's employment and training program are served without being placed on the waiting list.

Louisiana: Families with parents participating in the TANF employment and training program, children participating in the Early Head Start-Child Care Partnership program, foster children, homeless families, and children with special needs are served without being placed on the waiting list.

Maryland: In 2017, when the state had a waiting list, families receiving or transitioning from TANF, families receiving Supplemental Security Income (SSI), and children with documented disabilities were served without being placed on the list.

Massachusetts: The state does not determine children's eligibility at the time they are added to the waiting list. Also note that families receiving TANF and with parents participating in the employment services program, families referred by the child welfare agency based on open cases of abuse or neglect, siblings of children already in care, and children of actively deployed members of the military are served without being placed on the waiting list. In addition, homeless families residing in state-funded shelters may be served through dedicated contracts without being placed on the waiting list.

Minnesota: Families receiving TANF, families transitioning from TANF (for up to one year after their TANF case closes), and parents under age 21 pursuing a high school degree or GED (and not receiving TANF) are served without being placed on the waiting list.

Mississippi: Families receiving or transitioning from TANF, homeless children, foster children, children served by the home visiting program, children with special needs, and families with very low incomes are served without being placed on the waiting list when the state has a list in effect. The state was serving all eligible families who had been on the waiting list and was no longer placing families on a waiting list as of October 2018.

Nevada: In 2017, when the state had a waiting list, families receiving or transitioning from TANF, families with foster care or child protective services placements, and homeless families were served without being placed on the list.

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

New Mexico: Families receiving or transitioning from TANF, teen parents in school, families with children who have special needs, and homeless families are served without being placed on the waiting list. In addition, in 2017 and 2018, families with incomes at or below 150 percent of poverty were served without being placed on the waiting list.

New York: Waiting lists are kept at the local district level and statewide data are not available. Each local district also has the authority to freeze intake and stop adding names to its waiting list. Families receiving TANF, families eligible to receive TANF who need child care services for a child under age 13 in order to enable the parents to engage in work or participate in required work activities, and families who are transitioning off public assistance are served without being placed on the waiting list.

North Carolina: The waiting list total for 2017 is from March 2017, and the waiting list total for 2018 is from March 2018.

Oregon: Families with a parent or child who had received TANF in one of the three preceding months; parents reapplying for child care assistance within two months of their case closing; families referred from child welfare services when an ongoing safety plan states that child care is needed to keep (or return) a child home, with a relative, or other known adult; families with a parent or child who is currently eligible or has been eligible for domestic violence survivor benefits in any of the preceding three months; and families applying for an open slot with a contracted child care program are served without being placed on the waiting list when the state has a list in effect. The state was serving all eligible families who had been on the waiting list and was no longer placing families on the waiting list as of March 2018.

Pennsylvania: Families receiving child care assistance through TANF or the Supplemental Nutrition Assistance Program (SNAP) and families transitioning from TANF (within 183 days of TANF ending) are served without being placed on the waiting list.

Tennessee: When the state reported its data in 2001, intake was frozen for all families other than those receiving or transitioning from TANF. The waiting list total for 2001 represents the number of children on the waiting list when intake was closed.

Texas: Local workforce development boards maintain waiting lists. The totals in the table represent the aggregate number of children on waiting lists across all of the state's 28 boards. In addition, some boards have frozen intake. In 2017, 27 boards had a waiting list and 10 boards had frozen intake (including some of which had both a waiting list and frozen intake). In 2018, all 28 boards had waiting lists, including 20 boards that also had frozen intake. Families in the TANF work program (Choices), families transitioning from TANF, families in the SNAP Employment and Training program, and children receiving protective services are served without being placed on the waiting list.

Virginia: Data for December 2001 are not available, so data from January 2001 are used instead. Families receiving or transitioning from TANF and families participating in the TANF work program are served without being placed on the waiting list.

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

	Monthly copayment in 2018		Monthly copayment in 2017		Monthly copayment in 2001		Change 2017 to 2018		Change 2001 to 2018	
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*	$229	9%	$229	9%	$215	12%	$0	0%	$14	-3%
Alaska*	$153	6%	$152	6%	$71	4%	$1	0%	$82	2%
Arizona*	$65	3%	$65	3%	$217	12%	$0	0%	-$152	-9%
Arkansas*	$31	1%	$31	1%	$224	12%	$0	0%	-$193	-11%
California*	$64	2%	$128	5%	$0	0%	-$64	-3%	$64	2%
Colorado*	$286	11%	$281	11%	$185	10%	$5	0%	$101	1%
Connecticut*	$156	6%	$153	6%	$110	6%	$3	0%	$46	0%
Delaware*	$264	10%	$264	10%	$159	9%	$0	0%	$105	1%
District of Columbia*	$59	2%	$118	5%	$91	5%	-$59	-2%	-$32	-3%
Florida*	$204	8%	$195	8%	$104	6%	$9	0%	$100	2%
Georgia*	$208	8%	$208	8%	$139	8%	$0	0%	$69	0%
Hawaii*	$518	20%	$473	19%	$38	2%	$45	1%	$480	18%
Idaho*	$150	6%	$150	6%	Not eligible	Not eligible	$0	0%	N/A	N/A
Illinois*	$224	9%	$221	9%	$134	7%	$3	0%	$90	1%
Indiana*	$235	9%	$231	9%	$154	8%	$4	0%	$81	1%
Iowa*	$185	7%	$174	7%	Not eligible	Not eligible	$11	0%	N/A	N/A
Kansas*	$207	8%	$207	8%	$162	9%	$0	0%	$45	-1%
Kentucky*	$281	11%	$281	11%	$177	10%	$0	0%	$104	1%
Louisiana*	$65	3%	$65	3%	$114	6%	$0	0%	-$49	-4%
Maine*	$260	10%	$230	9%	$183	10%	$30	1%	$77	0%
Maryland*	$313	12%	Not eligible	Not eligible	$236	13%	N/A	N/A	$77	-1%
Massachusetts*	$325	13%	$325	13%	$160	9%	$0	0%	$165	4%
Michigan*	$65	3%	$65	3%	$24	1%	$0	0%	$41	1%
Minnesota*	$87	3%	$84	3%	$53	3%	$2	0%	$34	0%
Mississippi*	$160	6%	$155	6%	$105	6%	$5	0%	$55	0%
Missouri*	$210	8%	$210	8%	Not eligible	Not eligible	$0	0%	N/A	N/A
Montana*	$364	14%	$357	14%	$256	14%	$7	0%	$108	0%
Nebraska*	$90	3%	$88	3%	$129	7%	$2	0%	-$39	-4%
Nevada*	$149	6%	$149	6%	$281	15%	$0	0%	-$132	-10%
New Hampshire*	$325	12%	$319	12%	$2	0%	$6	0%	$323	12%
New Jersey*	$106	4%	$106	4%	$133	7%	$0	0%	-$27	-3%
New Mexico*	$175	7%	$178	7%	$115	6%	-$3	0%	$60	0%
New York*	$314	12%	$305	12%	$191	10%	$9	0%	$123	2%
North Carolina*	$260	10%	$255	10%	$159	9%	$5	0%	$101	1%
North Dakota*	$223	9%	$218	9%	$293	16%	$5	0%	-$70	-7%
Ohio*	$226	9%	$228	9%	$88	5%	-$1	0%	$138	4%
Oklahoma*	$237	9%	$237	9%	$146	8%	$0	0%	$91	1%
Oregon*	$491	19%	$473	19%	$319	17%	$18	0%	$172	1%
Pennsylvania*	$229	9%	$229	9%	$152	8%	$0	0%	$77	1%
Rhode Island*	$208	8%	$204	8%	$19	1%	$4	0%	$189	7%
South Carolina*	$61	2%	$87	3%	$77	4%	-$26	-1%	-$16	-2%
South Dakota*	$349	13%	$368	14%	$365	20%	-$19	-1%	-$16	-7%
Tennessee*	$186	7%	$178	7%	$112	6%	$9	0%	$74	1%
Texas*	$270	10%	$270	11%	$256	14%	$0	0%	$14	-4%
Utah*	$171	7%	$167	7%	$220	12%	$4	0%	-$49	-5%
Vermont*	$260	10%	$260	10%	$123	7%	$0	0%	$137	3%
Virginia*	$207	8%	$204	8%	$183	10%	$3	0%	$24	-2%
Washington*	$193	7%	$186	7%	$87	5%	$7	0%	$106	3%
West Virginia*	$119	5%	$119	5%	$54	3%	$0	0%	$65	2%
Wisconsin*	$252	10%	$238	9%	$160	9%	$14	0%	$92	1%
Wyoming*	$43	2%	$43	2%	$98	5%	$0	0%	-$55	-4%

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

	Monthly copayment in 2018		Monthly copayment in 2017		Monthly copayment in 2001		Change 2017 to 2018		Change 2001 to 2018	
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%	$67	4%	$65	5%	$11	1%	$13	-1%
Alaska*	$51	3%	$51	3%	$14	1%	$0	0%	$37	2%
Arizona*	$65	4%	$65	4%	$65	5%	$0	0%	$0	-2%
Arkansas*	$31	2%	$0	0%	$0	0%	$31	2%	$31	2%
California*	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Colorado*	$35	2%	$34	2%	$113	9%	$1	0%	-$78	-7%
Connecticut*	$69	4%	$68	4%	$49	4%	$1	0%	$20	0%
Delaware*	$120	7%	$120	7%	$55	5%	$0	0%	$65	2%
District of Columbia*	$22	1%	$53	3%	$32	3%	-$31	-2%	-$10	-1%
Florida*	$129	7%	$129	8%	$69	6%	$0	0%	$60	2%
Georgia*	$143	8%	$143	8%	$21	2%	$0	0%	$122	7%
Hawaii*	$296	17%	$270	16%	$0	0%	$26	1%	$296	17%
Idaho*	$50	3%	$50	3%	$65	5%	$0	0%	-$15	-2%
Illinois*	$88	5%	$86	5%	$65	5%	$2	0%	$23	0%
Indiana*	$87	5%	$85	5%	$0	0%	$2	0%	$87	5%
Iowa*	$9	1%	$9	1%	$22	2%	$0	0%	-$13	-1%
Kansas*	$58	3%	$58	3%	$22	2%	$0	0%	$36	2%
Kentucky*	$152	9%	$132	8%	$97	8%	$20	1%	$55	1%
Louisiana*	$0	0%	$43	3%	$49	4%	-$43	-3%	-$49	-4%
Maine*	$139	8%	$102	6%	$97	8%	$37	2%	$42	0%
Maryland*	$281	16%	$244	14%	$90	7%	$38	2%	$191	9%
Massachusetts*	$162	9%	$162	10%	$40	3%	$0	0%	$122	6%
Michigan*	$32	2%	$32	2%	$24	2%	$0	0%	$8	0%
Minnesota*	$50	3%	$48	3%	$5	0%	$2	0%	$45	2%
Mississippi*	$88	5%	$88	5%	$47	4%	$0	0%	$41	1%
Missouri*	$108	6%	$108	6%	$43	4%	$0	0%	$65	3%
Montana*	$69	4%	$68	4%	$49	4%	$1	0%	$20	0%
Nebraska*	$61	4%	$58	3%	$30	2%	$3	0%	$31	1%
Nevada*	$50	3%	$50	3%	$0	0%	$0	0%	$50	3%
New Hampshire*	$130	7%	$128	7%	$0	0%	$2	0%	$130	7%
New Jersey*	$77	4%	$77	4%	$71	6%	$0	0%	$6	-1%
New Mexico*	$78	5%	$79	5%	$47	4%	-$1	0%	$31	1%
New York*	$11	1%	$8	0%	$4	0%	$3	0%	$7	0%
North Carolina*	$173	10%	$170	10%	$106	9%	$3	0%	$67	1%
North Dakota*	$77	4%	$75	4%	$158	13%	$2	0%	-$81	-9%
Ohio*	$123	7%	$123	7%	$43	4%	$0	0%	$80	4%
Oklahoma*	$146	8%	$139	8%	$54	4%	$7	0%	$92	4%
Oregon*	$188	11%	$180	11%	$90	7%	$8	0%	$98	3%
Pennsylvania*	$134	8%	$134	8%	$65	5%	$0	0%	$69	2%
Rhode Island*	$35	2%	$34	2%	$0	0%	$1	0%	$35	2%
South Carolina*	$26	2%	$61	4%	$43	4%	-$35	-2%	-$17	-2%
South Dakota*	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Tennessee*	$121	7%	$121	7%	$39	3%	$0	0%	$82	4%
Texas*	$170	10%	$180	11%	$170	14%	-$10	-1%	$0	-4%
Utah*	$0	0%	$0	0%	$36	3%	$0	0%	-$36	-3%
Vermont*	$6	0%	$6	0%	$0	0%	$0	0%	$6	0%
Virginia*	$103	6%	$102	6%	$122	10%	$1	0%	-$19	-4%
Washington*	$65	4%	$65	4%	$20	2%	$0	0%	$45	2%
West Virginia*	$81	5%	$76	4%	$27	2%	$5	0%	$54	2%
Wisconsin*	$120	7%	$95	6%	$61	5%	$25	1%	$59	2%
Wyoming*	$0	0%	$0	0%	$10	1%	$0	0%	-$10	-1%

NOTES FOR TABLES 3A AND 3B: PARENT COPAYMENTS

For a family of three, an income at 100 percent of poverty was equal to $14,630 a year in 2001, $20,420 a year in 2017, and $20,780 a year in 2018.

For a family of three, an income at 150 percent of poverty was equal to $21,945 a year in 2001, $30,630 a year in 2017, and $31,170 a year in 2018.

For states that calculate their copayments as a percentage of the cost of care, it is assumed that the family was purchasing care at the state's maximum base payment rate for licensed center care for a four-year-old.

Monthly copayments were calculated from hourly, daily, and weekly copayments assuming the child was in care 9 hours a day, 5 days a week, 4.33 weeks a month.

Copayments for states with standard income deductions were determined based on adjusted income.

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

Data in the tables for 2018 reflect policies as of February 2018, data in the tables for 2017 reflect policies as of February 2017, and data in the tables for 2001 reflect policies as of June 2001, unless otherwise indicated.

Alabama: Children receiving protective services are exempt from copayments.

Alaska: Families applying for or receiving TANF, children receiving protective services, and foster children are exempt from copayments.

Arizona: Families receiving TANF and children receiving protective services are exempt from copayments.

Arkansas: As of March 2014, the copayment varies with the quality level of the care a family uses, with a family paying 6 percent of the cost of care if using a provider with a one-star rating in the state's quality rating and improvement system (which has three star levels), 4 percent if using a two-star provider, and 2 percent if using a three-star provider. The copayment amounts for 2017 and 2018 shown in the tables assume the family is using a one-star provider, given that, as of January 2016, all providers serving families receiving child care assistance must be at the one-star level or higher. Also note that families receiving TANF, families in their first year of transitioning from TANF, foster children, children receiving protective services, homeless children, children with special needs, and teen parents are exempt from copayments. In addition, families with incomes below 40 percent of state median income ($20,613 a year for a family of three) were exempt from copayments in 2017 and 2018.

California: Families receiving TANF and families whose children are participating in the state-funded part-day prekindergarten program are exempt from copayments. Families receiving protective services are exempt from copayments for up to 12 months. In addition, families with incomes up to 39 percent of state median income ($29,016 a year for a family of three) were exempt from copayments in 2018.

Colorado: Families receiving TANF and with parents enrolled in activities other than paid employment, families receiving child welfare child care, and parents without income are exempt from copayments. In addition, families receiving protective services child care are exempt from copayments unless the child has countable income. Homeless families do not have copayments during a 60-day stabilization period. Teen parents may have their copayment waived if it produces a hardship. As of September 2018, counties have the option to waive copayments for families with children dually enrolled in a Head Start or Early Head Start program.

Connecticut: Families receiving TANF and with parents participating in an approved training or education activity (but not working) and foster children are exempt from copayments.

Delaware: Families receiving TANF, grandparents who are caretakers, foster parents, and families referred from the Division of Family Services are exempt from copayments.

District of Columbia: Families receiving TANF, foster children, and homeless children are exempt from copayments. In 2017, families with incomes at or below 50 percent of the 2009 federal poverty level ($9,155 a year for a family of three) were also exempt from copayments. In 2018, families with incomes at or below 100 percent of the 2017 federal poverty level ($20,420 a year for a family of three) were exempt from copayments.

Florida: Local early learning coalitions set their copayments, subject to state approval; the copayments in the tables reflect the maximum copayment levels allowed under state policy and used by a local coalition. Also note that a coalition may, on a case-by-case basis, waive the copayment for an at-risk child or temporarily waive the copayment for a family whose income is at or below the federal poverty level and who experiences a natural disaster or an event that limits the parent's ability to pay, such as incarceration, placement in residential treatment, or becoming homeless, or an emergency situation such as a household fire or burglary, or while the parent is participating in parenting classes.

Georgia: As of July 2018, the state began discounting copayments by 15 percent for families across the state using providers with ratings of one star or higher in the state's quality rating and improvement system, which has three star levels. (This statewide policy replaced a pilot project that had operated in four areas of the state since July 2015. Under the pilot project, families in those areas using providers with ratings of one star or higher had lower copayments than families using providers that were not rated; the copayment was $15 per week ($65 per month) for families using one-star providers, $10 per week ($43 per month) for families using two-star providers, and $5 per week ($22 per month) for families using three-star providers, regardless of the family's income level.) As of September 2018, the state reduced copayments for all families. Also note that families applying for or receiving TANF, children in foster care, and parents under age 18 are exempt from copayments.

Hawaii: Families receiving protective services and foster children are exempt from copayments. In 2017 and 2018, families with incomes at or below 50 percent of the 2004 federal poverty level for Hawaii ($9,012 a year for a family of three) were also exempt from copayments.

Idaho: Families receiving TANF that are participating in activities other than work and foster children are exempt from copayments.

Illinois: Representative payees of children who are receiving TANF or general assistance benefits, who are not parents or stepparents, and who work outside the home are exempt from copayments. In addition, households in which a single parent is called to active duty or both parents are called to active duty at the same time are exempt from copayments during deployment.

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 tables assume it is the first year the family is receiving assistance. Also note that families with incomes at or below 100 percent of the 2016 federal poverty level ($20,160 a year for a family of three) were exempt from copayments in 2017, and families with incomes at or below 100 percent of the 2017 federal poverty level were exempt from copayments in 2018.

Iowa: The state calculates copayments based on units of care; a unit is a half day (up to 5 hours of service per 24-hour period), so 9 hours of care a day, 5 days a week, 4.33 weeks a month would equal 44 units. Also note that families receiving TANF and families receiving protective services are exempt from copayments. In addition, families with incomes below 100 percent of the 2016 federal poverty level ($20,160 a year for a family of three) were exempt from copayments in 2017, and families with incomes below 100 percent of the 2017 federal poverty level were exempt from copayments in 2018.

Kansas: Families receiving TANF, families in the first two months following the loss of TANF eligibility, parents participating in the Food Assistance Education and Training work program, families receiving child care for social service reasons, and families participating in the Early Head Start-Child Care Partnership program are exempt from copayments. In addition, families with incomes at or below 70 percent of the 2016 federal poverty level ($14,112 a year for a family of three) were exempt from copayments in 2017, and families with incomes at or below 70 percent of the 2017 federal poverty level ($14,292 a year for a family of three) were exempt from copayments in 2018.

Kentucky: Families with incomes at or below $899 per month ($10,788 a year), regardless of family size, were exempt from copayments in 2017 and 2018.

Louisiana: Data are not available for June 2001, so data from March 2000 are used instead. Also note that families receiving TANF, foster children, homeless families, and families participating in the Early Head Start-Child Care Partnership program are exempt from copayments.

Maine: Copayments for foster children and children living with a legal guardian are based on the child's income only.

Maryland: The state determines copayments based on maximum state payment rates in the region where the family lives. Also note that families receiving TANF or SSI are exempt from copayments. The state planned to limit copayments to 2 percent of income for all families, and to no longer vary copayments based on region, as of February 2019.

Massachusetts: Families receiving or transitioning from TANF, foster parents, guardians, caretakers, and families receiving protective services are exempt from copayments. In addition, families at the lowest income levels (in 2017 and 2018, at or below $14,160 a year for a family of three) are exempt from copayments.

Michigan: Children attending a program with a three-, four-, or five-star rating in the state's quality rating and improvement system (which has five levels), families receiving TANF, children receiving protective services, foster children, families receiving SSI benefits, migrant farmworker families, and homeless families are exempt from copayments. In addition, families with incomes below 100 percent of the 2016 federal poverty level ($20,160 a year for a family of three) were exempt from copayments in 2017, and families with incomes below 100 percent of the 2017 federal poverty level were exempt from copayments in 2018.

Minnesota: Families with incomes below 75 percent of the 2016 federal poverty level ($15,120 a year for a family of three) were exempt from copayments in 2017, and families with incomes below 75 percent of the 2017 federal poverty level ($15,315 a year for a family of three) were exempt from copayments in 2018.

Mississippi: Families receiving TANF and homeless families with no countable income are exempt from copayments. Children receiving protective services, children participating in the home visitation program, children with special needs, and parents with a disability who are receiving SSI benefits have a copayment of $10 per month.

Missouri: Children with disabilities who are receiving SSI benefits, children receiving services through the Department of Mental Health, children with developmental delays, foster children, adoptive children, and children under court-ordered supervision are exempt from copayments.

Montana: Children receiving protective services are exempt from copayments.

Nebraska: Foster children and children who have subsidized adoption or guardianship agreements are exempt from copayments. In addition, families with incomes below 100 percent of the 2016 federal poverty level ($20,160 a year for a family of three) were exempt from copayments in 2017, and families with incomes below 100 percent of the 2017 federal poverty level were exempt from copayments in 2018.

Nevada: Families receiving TANF and with parents participating in work or work-related activities, families receiving protective services, foster families, homeless families, and families receiving wrap-around services (services provided before and after Head Start programs) are exempt from copayments.

New Hampshire: Foster children may be exempted from copayments on a case-by-case basis. As of July 2017, homeless families may be exempted from copayments for up to 30 calendar days to allow time for them to submit information required for eligibility determination.

New Jersey: For children who are in paid foster placement, the copayment is assessed based on the income of the child, and thus almost always $0. For children who are receiving protective services and residing with a related caregiver, para-foster care provider, or in their own home with their parents, the copayment may be reduced or waived on a case-by-case basis. In addition, families with incomes below 100 percent of the 2016 federal poverty level ($20,160 a year for a family of three) were exempt from copayments in 2017, and families with incomes below 100 percent of the 2017 federal poverty level were exempt from copayments in 2018.

New Mexico: Grandparents or legal guardians who have taken custody/guardianship of a child and families receiving protective services and at-risk child care are exempt from copayments.

New York: Local social services districts set their copayments within a state-specified range; the copayments in the tables reflect the maximum amount allowed in that range. Families receiving TANF and participating in their required activity are exempt from copayments. As of March 2017, homeless families are exempt from copayments as well. In addition, children receiving protective services, foster children, families receiving services to address domestic violence, and families participating in substance abuse treatment programs may be exempted from copayments on a case-by-case basis. Also note that data are not available for June 2001, so data from March 2000 are used instead.

North Carolina: Children receiving protective services or child welfare services, foster families, and children with no income who reside in the home of an adult other than their parents, stepparents, or nonparent relative caretaker are exempt from copayments.

North Dakota: Families receiving services through the Crossroads program (which provides support to parents up to age 21 so they can continue their education), families receiving TANF, and families receiving Diversion Assistance (short-term benefits and services) are exempt from copayments.

Ohio: Homeless families without a qualifying activity and families receiving protective child care services are exempt from copayments. In addition, families with incomes at or below 100 percent of the 2016 federal poverty level ($20,160 a year for a family of three) were exempt from copayments in 2017, and families with incomes at or below 100 percent of the 2017 federal poverty level were exempt from copayments in 2018.

Oklahoma: The copayment amounts shown in Table 3a for a family with an income at 150 percent of poverty in 2017 and 2018 assume the family had two children in care; if the family had one child in care, it would not have been eligible for child care assistance in 2017. Also note that families receiving TANF, foster children, children under age six adopted through the foster care system, families headed by a caretaker who is not legally or financially responsible for the children, children receiving SSI, and children participating in the Early Head Start-Child Care Partnership program are exempt from copayments. Children receiving protective services may be exempted from copayments on a case-by-case basis. In addition, families with incomes at or below $850 per month ($10,200 a year), regardless of family size, were exempt from copayments in 2017 and 2018.

Oregon: Families receiving TANF and with a working parent, families with a parent searching for a job following the loss of employment or with an unemployed parent who has moved into the home, and families who qualify for a six-month military transition period are exempt from copayments.

Pennsylvania: Families receiving either TANF or SNAP and with parents who are not working, but who are participating in employment and training programs, are exempt from copayments.

Rhode Island: Families with incomes below 100 percent of the 2016 federal poverty level ($20,160 a year for a family of three) were exempt from copayments in 2017, and families with incomes below 100 percent of the 2017 federal poverty level were exempt from copayments in 2018. In addition, foster families receive child care assistance through a policy that is separate from the primary child care assistance program and do not have a copayment.

South Carolina: Families receiving TANF, foster children, and homeless families are exempt from copayments.

South Dakota: Families receiving TANF and foster children are exempt from copayments. In addition, families with adjusted incomes at or below 100 percent of the 2016 federal poverty level ($20,160 a year for a family of three) were exempt from copayments in 2017, and families with adjusted incomes at or below 100 percent of the 2017 federal poverty level were exempt from copayments in 2018.

Tennessee: Families receiving TANF and foster families are exempt from copayments.

Texas: Local workforce development boards set their copayments within state guidelines; the copayments in the tables reflect the maximum copayment levels used by a local board. Also note that parents participating in the TANF work program (Choices), families applying for TANF, families transitioning from TANF, families participating in the SNAP Employment and Training program, children receiving protective services, and homeless families are exempt from copayments.

Utah: Families receiving TANF are exempt from copayments, and families transitioning from TANF are exempt from copayments for up to six months. In addition, families with adjusted incomes at or below 100 percent of the 2016 federal poverty level ($20,160 a year for a family of three) were exempt from copayments in 2017, and families with adjusted incomes at or below 100 percent of the 2017 federal poverty level were exempt from copayments in 2018.

Vermont: Children who are in protective custody may be exempted from copayments if requested by their social worker.

Virginia: Families eligible for TANF and families enrolled in Head Start, or participating in the SNAP Employment and Training program, whose income is at or below the federal poverty level are exempt from copayments.

Washington: Homeless families who cannot document participation in approved activities can have their copayment waived for four months. As of October 2018, children who are receiving protective services, child welfare services, or family assessment response services and who have been referred for child care assistance as a part of their case management are exempt from copayments.

West Virginia: Foster families and families receiving protective services are exempt from copayments. In addition, families with incomes at or below 40 percent of the 2014 federal poverty level ($7,920 a year for a family of three) were exempt from copayments in 2017, and families with incomes at or below 40 percent of the 2017 federal poverty level ($8,172 a year for a family of three) were exempt from copayments in 2018.

Wisconsin: Families with court-ordered kinship or guardianship care, foster families, and teen parents attending high school are exempt from copayments.

Wyoming: Families with adjusted incomes at or below 100 percent of the 2016 federal poverty level ($20,160 a year for a family of three) were exempt from copayments in 2017, and families with adjusted incomes at or below 100 percent of the 2017 federal poverty level were exempt from copayments in 2018.

TABLE 4A: STATE PAYMENT RATES IN 2018

State	State payment rates in 2018 compared to market rates	Year when payment rates last changed	If state rate is lower than rate provider charges, is provider allowed to charge parents the difference?
Alabama*	17th-55th percentile of 2014 rates	2016	Yes
Alaska*	15th percentile of 2015 rates	2017	Yes
Arizona*	75th percentile of 2000 rates	2009	Yes
Arkansas*	Above or below the 75th percentile of 2015 rates	2014	Yes, for 2- and 3-star
California*	75th percentile of 2016 rates	2018	Yes
Colorado*	Locally determined	Varies by locality	No
Connecticut*	1st-86th percentile of 2015 rates	2015/2017	Yes
Delaware*	50th percentile of 2018 rates	2011/2014	Yes
District of Columbia*	Below the 75th percentile of 2012 rates	2006/2017	No
Florida*	Locally determined	Varies by locality	Yes
Georgia*	5th-30th percentile of 2017 rates	2006	Yes
Hawaii*	Below the 75th percentile of 2017 rates	2008/2010/2017	Yes
Idaho*	65th percentile of 2015 rates	2016	Yes
Illinois*	18th-83rd percentile of 2015 rates	2012/2014	Yes
Indiana*	53rd-75th percentile of 2018 rates	2014/2015/2016	Yes
Iowa*	2%, 2%, and 4% increases above the 75th percentile of 2004 rates	2013/2016	No
Kansas*	40th percentile of 2014 rates	2016	Yes
Kentucky*	$1 a day above the 68th percentile of 2005 rates	2016	Yes
Louisiana*	25th-50th percentile of 2014 rates	2016	Yes
Maine*	50th-75th percentile of 2015 rates	2016/2017	No
Maryland*	11th percentile of 2017 rates	2017	Yes
Massachusetts*	5th-78th percentile of 2018 rates	2017/2018	No
Michigan*	Above or below the 75th percentile of 2015 rates	2017	Yes
Minnesota*	25th percentile of 2011 rates	2014	Yes
Mississippi*	36th-75th percentile of 2009 rates	2007	Yes
Missouri*	51st-81st percentile of 2016 rates	2016	Yes
Montana*	Three 2% increases above the 75th percentile of 2009 rates	2016	Yes
Nebraska*	50th percentile of 2017 rates	2017	No
Nevada*	75th percentile of 2004 market rates	2004/2016	Yes
New Hampshire*	50th percentile of 2016 rates	2017	Yes
New Jersey*	Below the 75th percentile of 2010 rates	2014/2018	Yes
New Mexico*	Above or below the 75th percentile of 2015 rates	2014/2015	No
New York*	69th percentile of 2015 rates	2016	Yes
North Carolina*	At or below the 75th percentile of 2015 rates	2015/2016/2017	Yes
North Dakota*	50th percentile of 2015 rates	2017	Yes
Ohio*	15th-35th percentile of 2016 rates	2011/2016	No
Oklahoma*	1st-79th percentile of 2017 rates	2013	No
Oregon*	10th-90th percentile of 2018 rates	2016/2018	Yes
Pennsylvania*	13th-100th percentile of 2016 rates	2008/2017	Yes
Rhode Island*	12th-56th percentile of 2015 rates	2015	No
South Carolina*	60th-75th percentile of 2015 rates	2016	Yes
South Dakota*	75th percentile of 2015 rates	2016	Yes
Tennessee	45th-75th percentile of 2006-07 rates	2008	Yes
Texas*	2nd-79th percentile of 2017 rates	Varies by locality	Yes
Utah*	70th percentile of 2015 rates	2015	Yes
Vermont*	1st-50th percentile of 2017 rates	2013/2016	Yes
Virginia*	18th-42nd percentile of 2015 rates	2014	Yes
Washington*	17th-100th percentile (or above) of 2014 rates	2017	No
West Virginia	75th percentile of 2015 rates	2016	No
Wisconsin*	Below the 75th percentile of 2014 rates	2014	Yes
Wyoming*	11th-53rd percentile of 2015 rates	2012	Yes

TABLE 4B: STATE PAYMENT RATES COMPARED TO THE 75TH PERCENTILE OF CURRENT MARKET RATES

	Rates equal to or above the 75th percentile of current market rates....		
State	In 2018?	In 2017?	In 2001?
Alabama	No	No	Yes
Alaska	No	No	No
Arizona	No	No	No
Arkansas	No	No	Yes
California*	Yes	No	Yes
Colorado*	No	No	Yes
Connecticut	No	No	No
Delaware	No	No	No
District of Columbia	No	No	No
Florida*	No	No	Yes
Georgia	No	No	No
Hawaii	No	No	No
Idaho	No	No	Yes
Illinois*	No	No	No
Indiana	No	No	Yes
Iowa*	No	No	No
Kansas	No	No	No
Kentucky	No	No	Yes
Louisiana	No	No	Yes
Maine*	No	No	Yes
Maryland	No	No	Yes
Massachusetts	No	No	No
Michigan	No	No	No
Minnesota	No	No	Yes
Mississippi*	No	No	Yes
Missouri	No	No	No
Montana*	No	No	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	No	No	Yes
North Carolina*	No	No	No
North Dakota	No	No	Yes
Ohio	No	No	No
Oklahoma	No	No	No
Oregon*	No	No	No
Pennsylvania	No	No	No
Rhode Island	No	No	Yes
South Carolina*	No	No	No
South Dakota*	No	Yes	Yes
Tennessee	No	No	No
Texas*	No	No	Yes
Utah	No	No	No
Vermont	No	No	No
Virginia	No	No	No
Washington	No	No	No
West Virginia*	No	Yes	Yes
Wisconsin	No	No	Yes
Wyoming	No	No	Yes

TABLE 4C: STATE PAYMENT AMOUNT IN 2018 COMPARED TO MARKET RATE FOR CHILD CARE CENTERS

		Center care for a four-year-old					Center care for a one-year-old				
State	City/county/ region	Monthly state payment 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 payment 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	$468	$745	2017	-$277	-37%	$511	$836	2017	-$325	-39%
Alaska*	Anchorage	$700	$923	2017	-$223	-24%	$900	$1,006	2017	-$106	-11%
Arizona	Maricopa County (Phoenix)	$515	$883	2018	-$368	-42%	$576	$999	2018	-$423	-42%
Arkansas*	Urban Areas	$511	$520	2015	-$9	-2%	$618	$615	2015	$3	1%
California*	Los Angeles County	$1,124	$1,124	2016	$0	0%	$1,594	$1,594	2016	$0	0%
Colorado*	Denver County	$693	$1,201	2015	-$509	-42%	$1,088	$1,529	2015	-$441	-29%
Connecticut*	North Central	$693	$1,178	2015	-$485	-41%	$870	$1,407	2015	-$537	-38%
Delaware	New Castle County	$574	$1,003	2018	-$429	-43%	$622	$1,299	2018	-$677	-52%
District of Columbia*	Citywide	$909	$1,409	2012	-$500	-35%	$1,409	$1,829	2012	-$420	-23%
Florida*	Miami-Dade County	$482	$585	2017	-$103	-18%	$533	$650	2017	-$116	-18%
Georgia*	Zone 1	$494	$884	2017	-$390	-44%	$559	$996	2017	-$437	-44%
Hawaii*	Statewide	$740	$910	2017	-$170	-19%	$1,490	$1,795	2017	-$305	-17%
Idaho*	Cluster 2 (Boise)	$623	$673	2015	-$50	-7%	$684	$741	2015	-$57	-8%
Illinois*	Metropolitan Region	$708	$1,061	2016	-$352	-33%	$1,007	$1,347	2016	-$340	-25%
Indiana*	Marion County (Indianapolis)	$992	$992	2018	$0	0%	$1,178	$1,178	2018	$0	0%
Iowa*	Statewide	$595	$822	2017	-$227	-28%	$738	$964	2017	-$225	-23%
Kansas	Sedgwick County	$526	$624	2017	-$97	-16%	$694	$756	2017	-$62	-8%
Kentucky*	Central Region	$487	$675	2017	-$188	-28%	$553	$758	2017	-$205	-27%
Louisiana	Statewide	$465	$650	2017	-$184	-28%	$487	$714	2017	-$227	-32%
Maine*	Cumberland County	$909	$1,121	2018	-$212	-19%	$1,057	$1,312	2018	-$255	-19%
Maryland*	Region W	$559	$888	2017	-$329	-37%	$883	$1,299	2017	-$416	-32%
Massachusetts*	Northeast (Region 3)	$913	$1,450	2018	-$537	-37%	$1,407	$1,940	2018	-$533	-27%
Michigan*	Statewide	$682	$865	2015	-$183	-21%	$926	$1,027	2015	-$101	-10%
Minnesota	Hennepin County	$870	$1,230	2016	-$359	-29%	$1,160	$1,624	2016	-$463	-29%
Mississippi*	Statewide	$339	$440	2016	-$101	-23%	$375	$480	2016	-$105	-22%
Missouri	St. Louis County	$406	$778	2016	-$372	-48%	$695	$1,013	2016	-$318	-31%
Montana	Billings/Yellowstone	$695	$736	2016	-$41	-6%	$796	$801	2016	-$5	-1%
Nebraska*	Urban Counties	$801	$877	2017	-$76	-9%	$927	$958	2017	-$31	-3%
Nevada	Clark County	$606	$932	2018	-$326	-35%	$693	$1,056	2018	-$363	-34%
New Hampshire*	Statewide	$801	$931	2016	-$130	-14%	$963	$1,147	2016	-$184	-16%
New Jersey*	Statewide	$579	$1,021	2012	-$442	-43%	$716	$1,200	2012	-$484	-40%
New Mexico*	Statewide	$841	$894	2018	-$53	-6%	$1,271	$998	2018	$273	27%
New York	New York City	$1,048	$1,117	2015	-$69	-6%	$1,606	$1,650	2015	-$43	-3%
North Carolina*	Mecklenburg County	$776	$1,040	2014-2015	-$264	-25%	$1,194	$1,170	2014-2015	$24	2%
North Dakota*	Statewide	$600	$720	2017	-$120	-17%	$724	$790	2017	-$66	-8%
Ohio	Cuyahoga County (Cleveland)	$570	$911	2016	-$341	-37%	$713	$1,125	2016	-$412	-37%
Oklahoma*	Enhanced Area Counties	$461	$606	2017	-$145	-24%	$624	$801	2017	-$177	-22%
Oregon*	Group Area A (Portland)	$965	$1,100	2018	-$135	-12%	$1,255	$1,455	2018	-$200	-14%
Pennsylvania	Philadelphia	$707	$866	2016	-$159	-18%	$902	$1,039	2016	-$137	-13%
Rhode Island*	Statewide	$700	$931	2015	-$231	-25%	$838	$1,037	2015	-$199	-19%
South Carolina*	Urban Areas	$628	$628	2015	$0	0%	$688	$688	2015	$0	0%
South Dakota*	Minnehaha County	$692	$701	2017	-$9	-1%	$770	$789	2017	-$19	-2%
Tennessee*	Top Tier Counties	$515	$713	2016	-$198	-28%	$684	$844	2016	-$160	-19%
Texas*	Gulf Coast Area	$507	$718	2017	-$211	-29%	$713	$814	2017	-$102	-13%
Utah*	Statewide	$568	$645	2017	-$77	-12%	$758	$900	2017	-$142	-16%
Vermont*	Statewide	$809	$1,083	2017	-$273	-25%	$912	$1,126	2017	-$214	-19%
Virginia*	Fairfax County	$1,147	$1,548	2018	-$401	-26%	$1,364	$1,806	2018	-$442	-24%
Washington*	King County	$835	$1,300	2015	-$465	-36%	$995	$1,519	2015	-$523	-34%
West Virginia	Statewide	$606	$650	2017	-$43	-7%	$693	$747	2017	-$54	-7%
Wisconsin*	Milwaukee County	$830	$1,100	2015	-$270	-25%	$1,070	$1,426	2015	-$356	-25%
Wyoming	Statewide	$521	$650	2017	-$129	-20%	$573	$750	2017	-$178	-24%

TABLE 4D: STATE TIERED PAYMENT RATES FOR CENTER CARE FOR A FOUR-YEAR-OLD IN 2018

State	City/county/ region	Number of quality tier levels (including base rate)	Payment rate for lowest tier	Payment rate for highest tier	Payment rates between lowest and highest tiers	Difference between lowest and highest tiers	Percentage difference between lowest and highest tiers	75th percentile of market rate	Difference between highest rate and 75th percentile	Percentage difference between highest rate and 75th percentile
Alabama*	Birmingham Region	6	$468	$515	$476, $485, $498, $507	$48	10%	$745	-$229	-31%
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Arizona*	Maricopa County (Phoenix)	2	$515	$567	N/A	$52	10%	$883	-$316	-36%
Arkansas*	Urban Areas	3	$511	$588	$536	$77	15%	$520	$68	13%
California	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Colorado*	Denver County	5	$682	$1,001	$693, $844, $990	$319	47%	$1,201	-$200	-17%
Connecticut*	North Central	2	$693	$727	N/A	$35	5%	$1,178	-$450	-38%
Delaware*	New Castle County	4	$574	$883	$693, $805	$310	54%	$1,003	-$120	-12%
District of Columbia*	Citywide	3	$632	$909	$771	$277	44%	$1,409	-$500	-35%
Florida*	Miami-Dade County	2	$482	$578	N/A	$96	20%	$631	-$54	-8%
Georgia*	Zone 1	4	$494	$618	$519, $543	$124	25%	$884	-$267	-30%
Hawaii*	Statewide	2	$740	$919	N/A	$179	24%	$947	-$28	-3%
Idaho	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Illinois*	Metropolitan Region	3	$708	$815	$779	$106	15%	$1,061	-$246	-23%
Indiana*	Marion County (Indianapolis)	4	$762	$1,065	$914, $992	$303	40%	$1,065	$0	0%
Iowa*	Statewide	2	$595	$770	N/A	$175	29%	$822	-$52	-6%
Kansas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kentucky*	Central Region	4	$476	$538	See notes	$61	13%	$675	-$138	-20%
Louisiana*	Statewide	5	$465	$573	$493, $517, $542	$107	23%	$650	-$77	-12%
Maine*	Cumberland County	4	$909	$1,000	$927, $955	$91	10%	$1,121	-$121	-11%
Maryland*	Region W	4	$559	$704	$614, $665	$145	26%	$888	-$184	-21%
Massachusetts*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michigan*	Statewide	5	$536	$828	$585, $682, $731	$292	55%	$865	-$37	-4%
Minnesota	Hennepin County	3	$870	$1,044	$1,001	$174	20%	$1,230	-$185	-15%
Mississippi*	Statewide	2	$312	$339	N/A	$27	9%	$440	-$101	-23%
Missouri	St. Louis County	2	$406	$487	N/A	$81	20%	$778	-$291	-37%
Montana	Billings/Yellowstone	5	$662	$794	$695, $728, $761	$132	20%	$736	$58	8%
Nebraska*	Urban Counties	7	$801	$1,024	$841, $883, $927, $929, $975	$223	28%	$992	$32	3%
Nevada	Clark County	5	$498	$866	$606, $693, $779	$368	74%	$932	-$66	-7%
New Hampshire*	Statewide	3	$801	$881	$841	$80	10%	$931	-$50	-5%
New Jersey*	Statewide	2	$579	$604	N/A	$25	4%	$1,021	-$417	-41%
New Mexico*	Statewide	5	$491	$841	$579, $591, $741	$350	71%	$894	-$53	-6%
New York*	New York City	2	$1,048	$1,205	N/A	$157	15%	$1,117	$88	8%
North Carolina*	Mecklenburg County	4	$477	$776	$721, $746	$299	63%	$1,040	-$264	-25%
North Dakota	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ohio	Cuyahoga County (Cleveland)	7	$570	$800	$622, $627, $699, $717, $764	$230	40%	$911	-$111	-12%
Oklahoma*	Enhanced Area Counties	4	$292	$509	$375, $461	$217	74%	$645	-$136	-21%
Oregon*	Group Area A (Portland)	4	$965	$1,055	$1,019, $1,037	$90	9%	$1,100	-$45	-4%
Pennsylvania*	Philadelphia	4	$707	$906	$727, $835	$199	28%	$866	$40	5%
Rhode Island*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
South Carolina*	Urban Areas	5	$563	$758	$628, $671, $714	$195	35%	$628	$130	21%
South Dakota	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tennessee*	Top Tier Counties	4	$429	$515	$450, $494	$86	20%	$713	-$198	-28%
Texas*	Gulf Coast Area	4	$507	$554	$533, $543	$47	9%	$718	-$164	-23%
Utah	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vermont*	Statewide	6	$578	$809	$607, $636, $694, $751	$231	40%	$1,083	-$273	-25%
Virginia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Washington*	King County	4	$803	$924	$835, $884	$121	15%	$1,300	-$376	-29%
West Virginia	Statewide	3	$606	$693	$650	$87	14%	$650	$43	7%
Wisconsin*	Milwaukee County	4	$789	$1,038	$830, $914	$249	32%	$1,100	-$62	-6%
Wyoming	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

State payment rates are compared to the 75th percentile of market rates (the rate designed to allow families access to 75 percent of providers in their community) because federal regulations recommend that rates be set at this level. A state's payment rates are only considered to be at the federally recommended level if rates for all (or nearly all) categories—such as different regions, age groups, types of care, and quality levels (including the base rate)—are at or above the 75th percentile of current market rates.

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 2018 are considered current if set at the 75th percentile of 2016 or more recent market rates).

States were asked to report payment rates and the 75th percentile of market rates for their most populous city, county, or region. Monthly rates were calculated from hourly, daily, and weekly rates assuming the child was in care 9 hours a day, 5 days a week, 4.33 weeks a month.

Differences between state payment 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 Table 4c, unless otherwise indicated. The rates analyzed in the tables do not reflect other types of higher rates or rate enhancements, such as higher rates paid for care for children with special needs or care during non-traditional hours.

Data in the tables for 2018 reflect policies as of February 2018, data in the tables for 2017 reflect policies as of February 2017, and data in the tables for 2001 reflect policies as of June 2001, unless otherwise indicated. Certain changes in policies since February 2018 are noted below.

Alabama: The state increased its base payment rates to the 70th percentile of 2017 market rates as of October 2018.

Alaska: The payment rates in Table 4c reflect that the state increased payment rates from the 75th percentile of 2009 market rates for infant and toddler care and the 50th percentile for all other categories of care to the 15th percentile of 2015 market rates for all categories of licensed care as of October 2017.

Arizona: Payment rates were set at the 75th percentile of 2000 market rates in 2006. On July 1, 2007, the state implemented a 5 percent increase in rates. As of April 2009, the state reversed this 5 percent increase and rates reverted to the level at which they had been set in 2006. As of April 2018, the state increased its tiered rate for nationally accredited care from 10 percent to 20 percent above the base rate, and began paying providers with a four-star rating under the state's quality rating and improvement system (which has five levels) a tiered rate that is 10 percent above the base rate and providers with a five-star rating a tiered rate that is (like that for accredited providers) 20 percent above the base rate.

Arkansas: Payment rates vary as a percentile of the market rate by the age of the child and region. The state began providing higher payment rates for higher-quality care under the state's quality rating and improvement system (which has three star levels) in June 2014. As of January 2016, all providers serving families receiving child care assistance must have a rating of one star or higher. The previous base rate, which had not been increased since 2007 and was paid to providers that did not meet the criteria for a star rating, was eliminated; the base rate is now the rate for one-star providers. Also note that providers with two- or three-star ratings are allowed to charge parents the difference between the state payment rate and the rate charged to private-paying parents; however, providers cannot charge the difference to foster families or families receiving TANF.

California: The payment rates in Table 4c reflect that the state increased rates for licensed care from the 75th percentile of 2014 market rates to the 75th percentile of 2016 market rates (unless existing rates were higher, in which case they were not changed) as of January 2018. Payment rates for license-exempt family child care were set at 70 percent of payment rates for licensed family child care as of January 2017.

Colorado: Counties determine their payment rates and when to change them. Denver last changed its rates in August 2016, lowering its base rates and raising rates at higher quality tiers. Also note that, as of September 2016, all counties are required to have higher rates for higher-quality care; previously, counties determined whether to offer tiered rates for higher-quality care (and some counties, including Denver, did offer such rates prior to the requirement).

Connecticut: Payment rates vary as a percentile of the market rate by the type of care, age of the child, and region. The state last increased payment rates for centers in January 2015, and for licensed and license-exempt family child care in January 2017. The state planned to increase payment rates in December 2018, but had not yet determined the level at which the new rates would be set.

Delaware: Providers are allowed to charge parents the difference between the state payment rate and the rate charged to private-paying parents under the Purchase of Care Plus option (although providers must also reserve at least a certain portion of slots for families who are not charged the difference between the state rate and the private-pay rate). Also note that the state has five quality rating levels, but only four different payment rate tiers; providers at both quality level one and quality level two (as well as providers that do not have a quality rating) receive the base rate. The state last increased rates for providers at the top two quality levels in July 2014; the remaining rates were last increased in 2011.

District of Columbia: The payment rate for infant care in Table 4c reflects that the District increased rates for center care for infants and toddlers by 4 percent as of October 2017. The state also increased payment rates for family child care for infants and toddlers by 10 percent as of October 2017. The remaining rates were last changed in 2006. Also note that the District has developed a cost estimation model, which assesses the cost of delivering child care services at different levels of quality, in different settings, and serving children of differing ages and needs, and is using the model to inform changes in its payment rates.

Florida: Local early learning coalitions determine their payment rates and when to update them. Miami-Dade County last increased its rates in March 2017; this increase is reflected in Tables 4c and 4d. In addition, local coalitions may pay rates that are up to 20 percent higher than the base rate for Gold Seal providers, a designation indicating higher-quality care and tied to accreditation. The state's market rate survey differentiates between quality levels and the 75th percentile of market rates is obtained for providers at the base level and at the Gold Seal level; in Table 4c, the payment rate for the base level (the most common rate level) is compared to the 75th percentile for that same quality level, and in Table 4d, the payment rate for the highest quality level (the Gold Star level) is compared to the 75th percentile for that quality level.

Georgia: Zone 1 includes Camden, Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Henry, Paulding, and Rockdale Counties. The state increased payment rates for providers with ratings of one star or higher in the state's quality rating and improvement system (which has three levels) as of October 2018; tiered rates were increased from 5 percent to 10 percent above the base rate for one-star providers, from 10 percent to 20 percent above the base rate for two-star providers, and from 25 percent to 40 percent above the base rate for three-star providers. The state also began paying 50 percent above the base rate to providers awarded Quality Rated Subsidy Grants, which fund a specific number of slots for children receiving child care assistance at the provider's site, as of October 2018. The state planned to increase base payment rates for care for infants and toddlers to the 25th percentile of 2017 market rates as of January 2019.

Hawaii: The payment rates in Tables 4c and 4d reflect that the state increased rates for licensed center care in 2017. The state also increased rates for license-exempt before- and after-school care in 2017; rates were last increased for license-exempt relative and non-relative care in 2010, and licensed family child care in 2008. Also note that the state has higher rates for accredited center 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. For center care for preschoolers, 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 payment rate for the base level (the most common rate level) is compared to the 75th percentile for that same quality level, and in Table 4d, the payment rate for the highest quality level (the accredited rate) is compared to the 75th percentile for that quality level.

Idaho: Cluster 2 includes Ada, Blaine, Boise, Bonner, Bonneville, Latah, Lewis, Teton, and Valley Counties. The state planned to increase payment rates to the 65th percentile of 2018 market rates as of January 2019.

Illinois: Payment rates as a percentile of market rates vary by the age of the child, type of care, and region. Rates for centers range from the 18th to 55th percentile of 2015 market rates and rates for family child care range from approximately the 53rd to 83rd percentile. Payment rates are reported for the Metropolitan Region (referred to as Group 1A), which includes Cook, DeKalb, DuPage, Kane, Kendall, Lake, and McHenry Counties. The state increased rates for child care centers by 4.26 percent as of July 2018; prior to that, the state had last increased rates for child care centers in January 2012 and for family child care in December 2014.

Indiana: The state last increased payment rates for providers at levels two, three, and four of the state's quality rating and improvement system (which has four levels) as of September 2016, and last increased payment rates for license-exempt providers in September 2015. All other rates were last increased in May 2014. Also note that the state's market rate survey differentiates between quality levels and the 75th percentile of market rates is obtained for providers at each quality level; in Table 4c, the payment rate for the most common rate level is compared to the 75th percentile for that same quality level, and in Table 4d, the payment rate for the highest quality level is compared to the 75th percentile for that quality level.

Iowa: The state set payment rates at the 75th percentile of 2004 market rates in 2007, and then increased rates by 2 percent in 2008, by another 2 percent in January 2013, and by 4 percent in July 2013. The state began implementing higher rates for providers at level five of the state's quality rating and improvement system (which has five levels) as of July 2016; these rates were set at the 75th percentile of 2014 market rates. The state planned to increase base rates to the 45th percentile of 2014 market rates, to increase rates for providers at quality level five to the 75th percentile of 2017 market rates, and to introduce two new tiered rate levels for providers at quality levels one through four, as of January 2019. Also note that the state calculates payments based on units of care; a unit is a half day (up to 5 hours of service per 24-hour period), so 9 hours of care a day, 5 days a week, 4.33 weeks a month would equal 44 units.

Kansas: The state set payment rates at the 40th percentile of 2014 market rates for each county group as of January 2016. (Rates for individual counties range from below the 5th percentile to above the 100th percentile of market rates.)

Kentucky: The state last increased base payment rates—by $1 per day—as of February 2016. Also note that, under the policy in effect in February 2018, the amount of the bonus above the base rate at each star level of the state's quality rating and improvement system (which had four levels and was mandatory for all providers serving children receiving child care assistance)—for care for four-year-olds, $7 to $11 per month for two-star providers, $11 to $15 per month for three-star providers, and $14 to $18 per month for four-star providers—depended on the percentage of children served by the provider receiving child care assistance. (One-star providers did not receive a bonus above the base rate.) A licensed or certified provider that was accredited could receive, to the extent funds were available, an additional $2 per day. The highest rate shown in Table 4d assumes that the provider received the maximum allowable bonus at the four-star level and was accredited. As of April 2018, the state adopted a new quality rating and improvement system with five levels and higher bonuses than available under the previous system. For example, under the new system, for care for four-year-olds, the amount of the bonus above the base rate is $23 per month for three-star licensed centers, $33 per month for four-star licensed centers, and $43 per month for five-star licensed centers. (One- and two-star providers do not receive a bonus above the base rate.) Accredited providers can still receive an additional $2 per day on top of their quality bonus.

Louisiana: The state last increased base payment rates in February 2016; for example, rates for center care for infants, toddlers, and preschoolers were increased from at or below the 10th percentile of 2012 market rates to nearly the 50th percentile of 2014 market rates, and rates for family child care for infants, toddlers, and preschoolers were increased from between the 15th and 50th percentile of 2012 market rates to the 25th percentile of 2014 market rates. Also note that, although shown in Table 4d as incorporated into the monthly payment rate, bonuses for higher-quality care are paid quarterly. The payment rates in Table 4d reflect that as of January 2018, the state increased the bonuses from 3 percent to 6 percent above the base rate for two-star providers, from 8 percent to 11 percent for three-star providers, from 13.5 percent to 16.5 percent for four-star providers, and from 20 percent to 23 percent for five-star providers.

Maine: The state set base payment rates for all types of care at the 50th percentile of 2015 market rates as of June 2016. The state then increased rates for center care for school-age children and for licensed family child care (for all age groups) to the 75th percentile of 2015 market rates as of June 2017. The state increased rates for center care and family child care for all age groups to the 75th percentile of 2018 market rates as of June 2018.

Maryland: The payment rates in Tables 4c and 4d reflect that the state increased payment rates by 2 percent as of July 2017. The state increased payment rates to at least the 20th percentile of 2017 market rates as of May 2018. Also note that Region W includes Anne Arundel, Calvert, Carroll, Charles, and Prince George's Counties.

Massachusetts: Payment rates vary as a percentile of market rates by the age of the child, type of care, and region. The payment rates in Table 4c reflect that the state increased payment rates for center care and family child care for infants and toddlers to the 50th percentile of 2015 market rates in regions where rates were below that level as of April 2017, increased rates for all providers by 6 percent in August 2017 (retroactive to July 2017), and then increased rates for center care by another 2 percent in February 2018 (retroactive to July 2017). The state increased rates for family child care providers by 3.94 percent as of July 2018. Also note that the state pays higher rates (3 percent above the base rate) for center care and family child care at level two or above of the state's quality rating and improvement system (which has four levels) for children up to 2.9 years old.

Michigan: The payment rates in Tables 4c and 4d reflect that the state increased base payment rates and rates for higher-quality care as of July 2017. The base rate for all providers was increased by 25 cents per hour. Rates for centers and family child care providers with ratings of one or two stars in the state's quality rating and improvement system (which has five star levels) were also increased by 25 cents per hour. Rates for three- and four-star centers and family child care providers were increased by 50 cents per hour, and rates for five-star centers and family child care providers and for license-exempt family child care providers at level two (providers that complete additional training beyond the minimum required) were increased by 75 cents per hour.

Minnesota: Base payment rates were set at the 25th percentile of 2011 market rates or left at the existing level (the level that went into effect as of November 2011, following a 2.5 percent rate reduction), whichever was higher, as of February 2014. The state increased the number of payment rate tiers and the differential between the lowest and highest tiers as of March 2014.

Mississippi: In February 2018, payment rates for licensed centers were at the 51st percentile of 2009 market rates for infants, 49th percentile for toddlers, 56th percentile for preschoolers, 62nd percentile for school-age care during the summer, and 75th percentile for special needs care. Payment rates for family child care were at the 36th percentile for infants, 65th percentile for toddlers, 64th percentile for preschoolers, 75th percentile for school-age care during the summer, and 42nd percentile for special needs care. Also note that, in February 2018, the state had two separate tiers for providers: tier two for those meeting basic licensing/regulatory requirements and tier one for those that were accredited or had a director who met certain educational and/or experience criteria; tier one providers received a higher rate. The state now designates centers as either "standard" (if they meet basic requirements) or "comprehensive" (if they also meet certain additional quality criteria). The state increased its base rates to the 75th percentile of 2016 market rates, and set tiered rates for comprehensive centers that are higher than the tiered rates previously paid to tier one centers, as of June 2018.

Missouri: The state does not allow families receiving protective services to be charged the difference between the state payment rate and the rate charged to private-paying parents.

Montana: Payment rates were set at the 75th percentile of 2009 market rates in 2009, and then increased by 2 percent as of August 2013, an additional 2 percent as of July 2014, and another 2 percent as of January 2016. Also note that data on the state's policies as of 2001 are not available, so data on policies as of March 2000 are used instead.

Nebraska: Providers are not allowed to charge parents or caretakers receiving child care assistance the difference between the state payment rate and the provider's private-pay rate, except in the case of a foster parent or a family receiving a guardianship or adoption subsidy. Urban Counties include Dakota, Douglas, Lancaster, and Sarpy Counties. The payment rates in Tables 4c and 4d reflect that the state increased base payment rates to the 50th percentile of 2017 market rates (unless existing rates were higher, in which case they were not changed), and increased rates for accredited care in some categories, as of July 2017. The state increased base payment rates to at least the 60th percentile of 2017 market rates as of July 2018. Also note that, under the state's tiered rates system, non-accredited providers are paid at the base rate if they do not participate in the state's quality rating and improvement system (which has five levels) or are at step one or two of the system, 5 percent above the base rate once they reach step three, 5 percent above the rate for step three once they reach step four, and 5 percent above the rate for step four once they reach step five; accredited providers are paid at the accredited rate if they do not participate in the quality rating and improvement system or are at step one, two, or three, 5 percent above the accredited rate once they reach step four, and 5 percent above the accredited rate for step four once they reach step five.

Nevada: The state last increased tiered rates for providers with ratings of two stars or higher in the state's quality rating and improvement system (which has five levels and is now mandatory for all licensed providers) as of October 2016. The base payment rate (which is paid to one-star providers) is set at the 75th percentile of 2004 market rates; the payment rate for five-star providers is set at the 75th percentile of 2015 market rates; and payment rates for two-, three-, and four-star providers fall in between those amounts.

New Hampshire: The payment rates in Tables 4c and 4d reflect that the state increased base payment rates to the 50th percentile of 2016 market rates as of July 2017.

New Jersey: Payment rates vary as a percentile of the market rate by the age of the child and type of care. The payment rates in Tables 4c and 4d reflect that the state increased base payment rates for centers by 3 percent for care for infants and toddlers and by 1 percent for care for preschoolers and school-age children as of January 2018. The state increased base payment rates for center care for infants, toddlers, and preschoolers again as of May 2018. The state also implemented new tiered rates for licensed centers that have three-, four-, and five-star ratings under the state's quality rating and improvement system (which has five levels) and that serve infants, toddlers, and preschoolers as of June 2018; the new tiered rates range from 4 percent to 24 percent above the base rate, depending on the age of the child and the center's quality level. The state previously only had a tiered rate for accredited care; this accredited rate is being phased out for centers, but it will still be available for school-age providers and family child care providers, which are not eligible the new tiered rates. The state last increased payment rates for approved home providers and registered family child care providers represented by the Child Care Workers Union in August 2014. Also note that data on the state's policies as of 2001 are not available, so data on policies as of March 2000 are used instead.

New Mexico: The state increased payment rates for care for infants and toddlers and established new quality tiers, with rates at the highest quality levels exceeding the previous highest rates, as of July 2014. (Rates in Table 4d reflect tiered rates for the newer quality rating and improvement system; the older quality rating and improvement system was phased out at the end of 2017. The older system had four rate tiers and the newer system has five rate tiers; the rates at each of the bottom two tiers were the same for both systems.) The state raised payment rates for rural areas so that they equaled rates for metro areas as of January 2015, and now uses a single set of rates statewide. The state increased base rates for licensed care for preschoolers and school-age children, as well as rate differentials at the top two levels of the newer quality rating system for center care for infants, toddlers, and preschoolers, as of October 2015. Also note that the state's market rate survey differentiated between quality levels and the 75th percentile of market rates was obtained for providers at each quality level of the state's current quality rating and improvement system; in Table 4c, the payment rate for the most common rate level is compared to the 75th percentile for that same quality level, and in Table 4d, the payment rate for the highest quality level is compared to the 75th percentile for that quality level.

New York: Local social services districts may set payment rates for accredited providers that are up to 15 percent higher than base 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; in Table 4c, the payment rate for the most common rate level is compared to the 75th percentile for that same quality level, and in Table 4d, the payment rate for the highest quality level is compared to the 75th percentile for that quality level. There are five star levels in the state's quality rating and improvement system, which is mandatory for all licensed providers, except those that are religious sponsored. One- and two-star providers are no longer eligible to serve children receiving child care assistance. Religious-sponsored providers not participating in the quality rating and improvement system and new providers with a temporary license are paid at the rate previously used for one-star providers; this rate was set based on 2003 market rate survey data. The state increased payment rates for three-, four-, and five-star licensed providers in all counties as of January 2015. The state increased payment rates for three-, four-, and five-star licensed care in tier one and tier two counties for children birth through age two in January 2016, for children ages three through five in October 2016, and for school-age children in October 2017. The payment rate for infant care in Table 4c reflects that the state also increased rates for three-, four-, and five-star licensed care in tier three counties for children birth through age two in October 2017. The state increased rates for three-, four-, and five-star licensed care for children ages three through five in tier three counties and for children birth through age five in tier one and tier two counties as of October 2018. (The state's 100 counties are ranked based on economic well-being and assigned a tier designation, with the 40 most distressed counties designated as tier one, the next 40 as tier two, and the 20 least distressed as tier three. Mecklenburg County is a tier three county.)

North Dakota: The payment rates in Table 4c reflect that the state increased its rates from the 50th percentile of 2013 market rates to the 50th percentile of 2015 market rates as of July 2017. The state increased payment rates to the 60th percentile of 2015 market rates as of March 2018.

Ohio: The state reduced base payment rates to the 26th percentile of 2008 market rates (from the 35th percentile of 2008 market rates) as of July 2011.

The state increased rates for providers with ratings of two stars or higher in the state's quality rating and improvement system (which has five levels) as of June 2016, and implemented additional rate increases for all star-rated providers as of September 2016.

Oklahoma: Prior to August 2018, Enhanced Area rates applied 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); Standard Area rates applied to the remaining counties. Also note that the state's market rate survey differentiates between quality levels and the 75th percentile of market rates is obtained for providers at each quality level; in Table 4c, the payment rate for the most common rate level is compared to the 75th percentile for that same quality level, and in Table 4d, the payment rate for the highest quality level is compared to the 75th percentile for that quality level. The state's quality rating and improvement system has four levels: one-star (which is the basic licensing level and the base payment rate level), one-star plus, two-star, and three-star. As of August 2018, the state increased payment rates for two- and three-star care for children birth through age three to the 65th percentile of 2017 market rates for Enhanced Areas; increased Enhanced Area payment rates for all other categories of care, except for one-star centers, by 7 percent; and began applying the new Enhanced Area rates to all counties (so that there is now a set of unified statewide rates, and no longer a separate set of rates for Standard Areas). Payment rates for one-star centers remained the same.

Oregon: The state increased base payment rates for licensed centers from the 75th percentile of 2012 market rates to at least the 75th percentile of 2014 market rates as of January 2016. The state increased base payment rates for licensed family child care providers to at least the 75th percentile of 2014 market rates as of March 2016, and to the 75th percentile of 2016 market rates (for most age groups and regions) as of January 2018. The state increased payment rates for license-exempt family child care providers in January 2016 and again in October 2017. The state began providing higher payments for providers with ratings of three stars or higher in the state's quality rating and improvement system (which has five levels) as of April 2016. Also note that Group Area A includes the Ashland, Bend, Corvallis, Eugene, Monmouth, and Portland areas.

Pennsylvania: Payment rates vary as a percentile of the market rate by the age of the child, type of care, county, unit of care (whether full- or part-time), and quality level of care. Prior to August 2017, the state had five payment rate tiers, including the base rate and a rate for each level of the state's quality rating and improvement system, which has four star levels. The state lowered base rates for providers with no star rating as of January 2013. The rates for one-star providers, which previously were paid at the base level, and for two-star providers were not changed. The rates for three- and four-star providers were increased in January 2013, August 2013, and again in August 2015. The state implemented additional rate increases for two-, three-, and four-star providers serving infants and toddlers as of August 2015. The payment rates in Table 4d reflect that the state increased rates for three- and four-star providers again as of August 2017. In addition, all regulated providers were designated as having a one-star rating, and all one-star providers stopped receiving higher rates, and instead began receiving the same base rate as had been paid to those providers with no star rating, as of August 2017 (so there are now only four rates levels).

Rhode Island: The state increased base payment rates, and established tiered rates for higher-quality care, as of July 2018.

South Carolina: The state last increased base payment rates and tiered rates for higher-quality care in February 2016. The state's quality rating and improvement system, which is mandatory for all providers serving families receiving child care assistance, has five levels—C (which receives the base rate), B, B+, A, and A+. In February 2017, for most age groups, rates for providers at level B (the most common level) were at the 75th percentile of 2015 market rates, and rates for providers at higher quality levels were above the 75th percentile of 2015 market rates.

South Dakota: The state increased payment rates to the 75th percentile of 2017 market rates as of June 2018.

Tennessee: Top Tier Counties are those with the 20 highest average populations in 2013 and/or 20 highest per capita incomes in 2011-2013; these counties include: Anderson, Blount, Bradley, Coffee, Davidson, Fayette, Greene, Hamilton, Knox, Loudon, Madison, Maury, Montgomery, Moore, Putnam, Roane, Robertson, Rutherford, Sevier, Shelby, Sullivan, Sumner, Tipton, Trousdale, Washington, Williamson, and Wilson.

Texas: Local workforce development boards set their payment rates and determine when to update them. Fourteen of the 28 boards updated base rates in at least one category of care in 2015 or 2016; the Gulf Coast Workforce Development Area last updated its base rates in March 2015. No board changed its rates in 2017. In September 2015, the state began requiring boards to set their rates at 5 percent above the base rate or higher for providers at the two-star level of the state's quality rating and improvement system and providers participating in the Texas School Ready project (a comprehensive preschool teacher training program); 7 percent above the base rate or higher for three-star providers; and 9 percent above the base rate or higher for four-star providers. As of August 2018, payment rates for providers not participating in the state's quality rating and improvement system were increased by 2 percent; payment rates for four-star providers were increased to at least the 75th percentile of 2017 market rates; payment rates for three-star providers were increased to at least 90 percent of the four-star rate; and payment rates for two-star providers were increased to at least 90 percent of the three-star rate. Also note that providers are allowed to charge parents the difference between the payment rate and the rate charged to private-paying parents, unless specifically prohibited by the local board or when the parent is exempt from having to pay a copayment or the parent's copayment is calculated to be zero.

Utah: The state increased payment rates to the 60th percentile of 2017 market rates as of October 2018.

Vermont: Prior to 2018, the state had last increased payment rates for infant care in August 2016 and rates for other age groups in 2013. The state increased base rates and tiered rates for care for infants and toddlers as of July 2018.

Virginia: The state increased payment rates for all licensed providers to the 70th percentile of 2018 market rates as of June 2018.

Washington: The payment rates in Tables 4c and 4d reflect that the state increased rates for centers by 6 percent as of September 2017. The state last increased rates for licensed and license-exempt family child care providers as of July 2017. Also note that providers must enroll in the state's quality rating and improvement system (which has five quality levels) within 30 days of receiving their first payment through the child care assistance program, and must achieve a quality rating of three or higher within 30 months of registering for the quality rating and improvement system to continue serving families receiving assistance. Providers receive the base rate while they are working toward achieving quality level three. The state no longer uses the tiered payment rate that had been used for providers at quality level two, so there are now only four tiered rate levels.

West Virginia: Data on the state's policies as of 2001 are not available, so data on policies as of March 2000 are used instead.

Wisconsin: Prior to 2018, the state had last increased payment rates in November 2014; rates were set so that all were within 18 percent of the 75th percentile of 2014 market rates. The state increased payment rates for care for children birth through age three by 5 percent and increased rates for infant care in all counties to at least $5 per hour as of October 2018. In addition, as of October 2018, two-star providers receive a rate that is only 1 percent lower than the rate for three-star providers; previously, the rate for two-star providers was 5 percent lower than the rate for three-star providers. (The state's quality rating and improvement system has five levels; providers must be at least at the two-star level to serve families receiving child care assistance.) The state will increase payment rates for all age groups statewide as of January 2019.

Wyoming: The state reduced payment rates as of July 2012. Prior to that, rates had last been updated in 2007.

TABLE 5: ELIGIBILITY FOR CHILD CARE ASSISTANCE WHILE A PARENT SEARCHES FOR A JOB

	Length of time parents can continue to receive child care assistance when they lose a job while receiving assistance		Length of time parents can receive child care assistance if searching for a job when they apply for assistance	
State	2018	2017	2018	2017
Alabama*	90 days	90 days	Not eligible	Not eligible
Alaska*	3 months	80 hours	Not eligible	80 hours
Arizona*	3 months	3 months	Not eligible	Not eligible
Arkansas*	90 days	90 days	Not eligible	Not eligible
California*	Until end of 12-month eligibility period	60 days	12 months	60 days
Colorado*	13 weeks	13 weeks	Local decision	Local decision
Connecticut*	3 months	3 months	Not eligible	Not eligible
Delaware*	90 days	90 days	Not eligible	Not eligible
District of Columbia*	Until end of 12-month eligibility period	Until end of 12-month eligibility period	Not eligible	Not eligible
Florida*	3 months	3 months	Not eligible	Not eligible
Georgia*	13 weeks	13 weeks	Not eligible	Not eligible
Hawaii*	30 days	30 days	30 days	30 days
Idaho*	3 months	3 months	Not eligible	Not eligible
Illinois*	3 months	3 months	Not eligible	Not eligible
Indiana*	13 weeks	13 weeks	Not eligible	Not eligible
Iowa*	3 months	3 months	3 months	30 days
Kansas*	3 months	3 months	Not eligible	Not eligible
Kentucky*	3 months	3 months	3 months	Not eligible
Louisiana*	Until end of 12-month eligibility period	Until end of 12-month eligibility period	Not eligible	Not eligible
Maine*	12 weeks	12 weeks	Not eligible	Not eligible
Maryland*	90 days	30 days	Not eligible	Not eligible
Massachusetts*	8 weeks	8 weeks	8 weeks	8 weeks
Michigan	Until end of 12-month eligibility period	Until end of 12-month eligibility period	Not eligible	Not eligible
Minnesota*	3 months	240 hours	240 hours	240 hours
Mississippi	90 days	Until end of 12-month eligibility period	Not eligible	Not eligible
Missouri*	90 days	90 days	Not eligible	Not eligible
Montana*	3 months	3 months	Not eligible	Not eligible
Nebraska*	2 months	2 months	2 months	2 months
Nevada	Until end of 12-month eligibility period	Until end of 12-month eligibility period	Not eligible	Not eligible
New Hampshire*	92 days	40 days	92 days	40 days
New Jersey*	3 months	3 months	Not eligible	Not eligible
New Mexico*	3 months	3 months	Not eligible	Not eligible
New York*	Local decision	Local decision	Local decision	Local decision
North Carolina	90 days	90 days	Not eligible	Not eligible
North Dakota*	3 months	3 months	Not eligible	Not eligible
Ohio*	91 days	91 days	Not eligible	Not eligible
Oklahoma*	Until end of 12-month eligibility period	Until end of 12-month eligibility period	Not eligible	Not eligible
Oregon*	3 months	3 months	Not eligible	Not eligible
Pennsylvania*	92 days	92 days	Not eligible	Not eligible
Rhode Island*	21 days	21 days	Not eligible	Not eligible
South Carolina*	90 days	90 days	Not eligible	Not eligible
South Dakota*	90 days	90 days	Not eligible	Not eligible
Tennessee*	90 days	90 days	Not eligible	Not eligible
Texas*	3 months	3 months	Not eligible	Not eligible
Utah*	3 months	3 months	150 hours	150 hours
Vermont*	3 months	3 months	3 months	3 months
Virginia*	Not eligible	Not eligible	Not eligible	Not eligible
Washington*	Until end of 12-month eligibility period	Until end of 12-month eligibility period	Not eligible	Not eligible
West Virginia*	3 months	3 months	3 months	3 months
Wisconsin*	3 months	Until end of month	Not eligible	Not eligible
Wyoming*	90 days	90 days	Not eligible	Not eligible

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

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

Data in the table for 2018 reflect policies as of February 2018, and data in the table for 2017 reflect policies as of February 2017. Certain changes in policies since February 2018 are noted below.

Alabama: Parents can continue receiving child care assistance while searching for a job for up to 90 days even if they reach the end of their eligibility period for child care assistance before the end of that 90-day period.

Alaska: In 2017, parents could receive child care assistance while searching for a job for up to 80 hours per year. In 2018, parents can continue receiving child care assistance while searching for a job for up to 3 months (beginning the month after the non-temporary job loss was reported) even if they reach the end of their eligibility period for child care assistance before the end of that 3-month period. Also note that in 2018, parents cannot qualify for child care assistance if they are searching for a job when they submit their application for assistance, but they can receive child care assistance while searching for a job for up to 3 months if they experience a job loss after they submit the application, provided they meet all other eligibility criteria.

Arizona: Parents can continue receiving child care assistance while searching for a job for up to 3 months or until the end of their eligibility period, whichever comes first. Parents can only qualify for child care assistance while searching for a job if they are receiving TANF and participating in the Jobs Program.

Arkansas: Parents can continue receiving child care assistance while searching for a job for up to 90 days; these 90 days can be consecutive and can be used across more than one adult in the household. Parents can only continue receiving child care assistance while searching for a job until the end of their eligibility period, even if that occurs before the end of the 90-day period for job search, but the family's assistance could be extended once eligibility is reevaluated.

California: In 2017, parents could qualify or continue to receive child care assistance while searching for a job for up to 60 consecutive working days per fiscal year, for no more than 5 days per week and less than 30 hours per week. In 2018, parents already receiving child care assistance can continue to receive it while searching for a job until the end of their eligibility period; parents can initially qualify or recertify for child care assistance while searching for a job for no less than 12 months, for no more than 5 days per week and less than 30 hours per week.

Colorado: Counties must allow parents to continue receiving child care assistance while searching for a job for up to 13 weeks, or for a longer period of time. Parents can continue receiving child care assistance while searching for a job for up to 13 weeks even if they reach the end of their eligibility period for child care assistance before the end of that 13-week period, but they must provide the required verification at the end of their eligibility period for assistance to continue. Counties can choose whether to allow parents to qualify for child care assistance while searching for a job, but if they choose to do so, they must allow parents to receive child care assistance while searching for a job for up to 13 weeks, or for a longer period of time. As of September 2018, counties are required to allow parents to continue receiving child care assistance for up to 13 weeks after each instance of the loss of a job or other activity; prior to that date, parents could continue receiving assistance while searching for a job for only 13 weeks per year.

Connecticut: Parents can continue receiving child care assistance while searching for a job for up to 3 months even if they reach the end of their eligibility period for child care assistance before the end of that 3-month period. Parents can only qualify for child care assistance while searching for a job if they are receiving TANF and participating in an approved Jobs First Employment Services activity.

Delaware: Parents can continue receiving child care assistance while searching for a job for up to 90 days even if they reach the end of their eligibility period for child care assistance before the end of that 90-day period. Parents are authorized for assistance for the same number of hours of child care during their job search as they had while they were employed.

District of Columbia: Parents can only qualify for child care assistance while searching for a job if it is a structured job search through an approved agency.

Florida: Parents can continue receiving child care assistance while searching for a job for up to 3 months even if they reach the end of their eligibility period for child care assistance before the end of that 3-month period. Parents can only qualify for child care assistance while searching for a job if they are applying for or receiving TANF.

Georgia: Parents can continue receiving child care assistance while searching for a job for up to 13 consecutive weeks even if they reach the end of their eligibility period for child care assistance before the end of that 13-week period. Parents can only qualify for child care assistance while searching for a job if they are experiencing homelessness, domestic violence, or a natural disaster or have a qualifying child protective services case.

Hawaii: Parents can receive child care assistance while searching for a job for up to 30 consecutive days once in a 12-month period. The state planned to extend the amount of time parents can continue receiving child care assistance while searching for a job to 3 months in the summer of 2019.

Idaho: Parents can continue receiving child care assistance while searching for a job for up to 3 months or until the end of their eligibility period, whichever comes first.

Illinois: Parents can continue receiving child care assistance while searching for a job for up to 1 month, up to three times within a 12-month period. Also note that the state increased the amount of time parents have to report a job loss from 10 days to 30 days as of July 2017.

Indiana: In 2017 and 2018, parents could continue receiving child care assistance while searching for a job for up to 13 cumulative weeks per 12-month period beginning one day after the loss of a job. Parents could continue receiving child care assistance while searching for a job for up to 13 weeks even if they reached the end of their eligibility period for child care assistance before the end of that 13-week period. As of July 2018, parents receiving child care assistance are allowed a time-limited absence to care for a family member, to recover from illness, when not working between regular industry work seasons, for holidays or breaks in employment or education, due to a reduction in work or education hours, or due to any other cessation of work or an education program for a period not to exceed 16 weeks. Parents can only qualify for child care assistance while searching for a job if they are receiving TANF, participating in the state's employment and training program, and have a referral from their caseworker.

Iowa: Parents can continue receiving child care assistance while searching for a job for up to 3 months even if they reach the end of their eligibility period for child care assistance before the end of that 3-month period.

Kansas: Parents can continue receiving child care assistance while searching for a job for up to 3 months or until the end of their eligibility period, whichever comes first. Parents can only qualify for child care assistance while searching for a job if they are receiving TANF and searching for a job is part of their work program plan.

Kentucky: Parents can continue receiving child care assistance while searching for a job for up to 3 calendar months or until the end of their eligibility period, whichever comes first.

Louisiana: The state's employment and training requirements may be waived for parents experiencing homelessness to allow them to qualify for child care assistance while searching for a job.

Maine: Parents can continue receiving child care assistance while searching for a job for up to 12 weeks even if they reach the end of their eligibility period for child care assistance before the end of that 12-week period.

Maryland: Parents can only qualify for child care assistance while searching for a job if they are applying for or receiving TANF and participating in an approved TANF activity.

Massachusetts: Prior to October 2018, parents could continue receiving child care assistance while searching for a job for an additional 4 weeks (on top of the initial 8 weeks allowed within a 52-week period) if there were extraordinary circumstances. As of October 2018, parents can continue receiving child care assistance while searching for a job for up to 12 weeks, and can do so multiple times during their eligibility period and do not need to have special circumstances to receive the full 12 weeks to search for a job.

Minnesota: In 2017, parents could receive child care assistance while searching for a job for up to 240 hours per calendar year. In 2018, parents can continue receiving child care assistance while searching for a job for up to 3 calendar months or until the end of their eligibility period, whichever comes first. Also note that, in 2018, parents can qualify for child care assistance while searching for a job for up to 240 hours per calendar year, for no more than 20 hours per week.

Missouri: Parents can continue receiving child care assistance while searching for a job until the last day of the month in which the 90th day allowed for job search falls. Parents can continue receiving child care assistance until the end of this time period even if they reach the end of their eligibility period for child care assistance before the end of the time limit for job search.

Montana: Parents can continue receiving child care assistance while searching for a job for up to 3 months or until the end of their eligibility period, whichever comes first.

Nebraska: Parents can receive child care assistance while searching for a job for up to 2 consecutive calendar months following each instance of the loss of employment. Parents can continue receiving child care assistance while searching for a job to cover the same number of hours of child care as prior to their job loss, and parents applying for child care assistance can receive assistance to cover up to 20 hours of care per week. The state planned to extend the amount of time parents can continue receiving child care assistance while searching for a job to 3 months, and to no longer allow parents to qualify for assistance while searching for a job, but had not yet determined when these changes would go into effect.

New Hampshire: In 2017, parents could receive child care assistance while searching for a job for up to 40 paid days in a rolling 6-month period, for up to 30 hours per week. In 2018, parents can receive child care assistance while searching for a job for up to 92 calendar days. Parents can continue receiving child care assistance while searching for a job for up to 92 days even if they reach the end of their eligibility period for child care assistance before the end of that 92-day period (although they must complete the redetermination process at the end of the eligibility period). Parents must verify their job search with either receipt of unemployment compensation, a registration page from the New Hampshire Job Match System, or participation in the New Hampshire Employment Program.

New Jersey: Parents receiving child care assistance can continue to receive it for up to 3 calendar months, and can request to receive it for an additional 3 calendar months (for a total of 6 months), while searching for a job. Parents can continue to receive child care assistance while searching for a job until the end of this time period even if they reach the end of their eligibility period for child care assistance before the end of the time limit for job search.

New Mexico: Parents can continue receiving child care assistance following a temporary change of activity, including the cessation of work or attendance at a training or education program, for up to 90 days. Parents can also continue receiving assistance when they experience a non-temporary change of activity, including the loss of employment, during a 3-month grace period. A parent can continue receiving child care assistance for 90 days following a job loss plus an additional 3 months to look for work during the grace period, for a total of 6 months. Parents can only qualify for child care assistance while searching for a job if they are receiving TANF and approved for job search.

New York: Local social services districts must allow parents receiving TANF to continue receiving child care assistance for up to 2 consecutive weeks while searching for a job, or up to 4 weeks if necessary for the family to maintain their child care arrangements. Local districts may allow other parents to continue receiving child care assistance during a break in their activities. Local districts may also choose to allow parents to qualify or continue to receive child care assistance while searching for a job for up to 6 months if the district has funds available. Child care assistance is only provided for the portion of the day a parent documents as directly related to seeking employment. Local districts may impose additional limitations on child care assistance for parents to search for a job.

North Dakota: Parents can continue receiving child care assistance while searching for a job for up to 3 consecutive months within a 12-month eligibility period or until the end of their eligibility period, whichever comes first. Parents can only qualify for child care assistance while searching for a job if they are receiving or transitioning from TANF or are experiencing homelessness.

Ohio: Parents can continue receiving child care assistance while searching for a job for up to 91 days or until the end of their eligibility period, whichever comes first. Parents can only qualify for child care assistance while searching for a job if they are experiencing homelessness or if they are receiving TANF and have job search as an approved activity.

Oklahoma: Parents can only qualify for child care assistance while searching for a job if they are receiving TANF and job search is an approved activity.

Oregon: Parents can continue receiving child care assistance while searching for a job for up to 3 months even if they reach the end of their eligibility period for child care assistance before the end of that 3-month period.

Pennsylvania: Parents can continue receiving child care assistance while searching for a job for up to 92 days even if they reach the end of their eligibility period for child care assistance before the end of that 92-day period.

Rhode Island: Parents can continue receiving child care assistance for up to 21 consecutive days from the beginning of a period of unemployment. Parents must report the change in employment within 10 days. Parents are not eligible for continued assistance if they quit without good cause.

South Carolina: Parents can continue receiving child care assistance while searching for a job for up to 90 days or until the end of their eligibility period, whichever comes first. Parents can only qualify for child care assistance while searching for a job if they are receiving assistance through TANF-related funding sources.

South Dakota: Parents can continue receiving child care assistance while searching for a job for up to 90 days or until the end of their eligibility period, whichever comes first.

Tennessee: Parents can continue receiving child care assistance while searching for a job for up to 90 days even if they reach the end of their eligibility period for child care assistance before the end of that 90-day period.

Texas: Parents can continue receiving child care assistance while searching for a job for up to 3 months or until the end of their eligibility period, whichever comes first. Parents can only qualify for child care assistance while searching for a job if their family is experiencing homelessness.

Utah: Parents can continue receiving child care assistance while searching for a job for up to 3 months even if they reach the end of their eligibility period for child care assistance before the end of that 3-month period (although they must complete the recertification). Parents are required to report the job loss within 10 days, and the job loss must be verified by the end of the first month of the job search period to continue receiving child care assistance through the second and third month. As of July 2018, parents are allowed 3 months of job search after each instance of job loss; prior to that date, they were only allowed one 3-month job search period per 12-month eligibility period. Also note that under the state's separate Kids-In-Care Program, parents can qualify or continue to receive child care assistance while searching for a job for up to 150 hours in a 6-month period.

Vermont: Parents can continue receiving child care assistance while searching for a job for up to 3 months even if they reach the end of their eligibility period for child care assistance before the end of that 3-month period.

Virginia: In 2017 and 2018, parents could not receive child care assistance while searching for a job (unless they were receiving TANF and job search was one of their approved activities), but families had to be provided at least 10 days' advance notice before their case was closed. As of October 2018, parents can continue receiving child care assistance while searching for a job until the end of their 12-month eligibility period.

Washington: Parents can only qualify for child care assistance while searching for a job if they are receiving TANF and job search is an approved activity.

West Virginia: Parents can continue receiving child care assistance while searching for a job for up to 3 months (for up to 8 hours per day, 5 days per week) even if they reach the end of their eligibility period for child care assistance before the end of that 3-month period.

Wisconsin: As of November 2017, parents can continue receiving child care assistance while searching for a job for up to 3 months or until the end of their eligibility period, whichever comes first. Parents can only qualify for child care assistance while searching for a job if they are participating in TANF or the FoodShare Employment and Training program.

Wyoming: Parents can continue receiving child care assistance while searching for a job for up to 90 days or until the end of their eligibility period, whichever comes first.

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EXPANDING THE POSSIBILITIES

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