

MAY 2019

**STILL
SHORTCHANGING
OUR YOUNGEST
CHILDREN:
STATE PAYMENT
RATES FOR INFANT
CARE 2018**

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THE NATIONAL WOMEN'S LAW CENTER (NWLC)

fights for gender justice—in the courts, in public policy, and in society—working across the issues that are central to the lives of women and girls. The Center uses the law in all its forms to change culture and drive solutions to the gender inequity that shapes society and to break down the barriers that harm everyone—especially those who face multiple forms of discrimination, including women of color, LGBTQ people, and low-income women and families. For more than 45 years, the organization has been on the leading edge of every major legal and policy victory for women.

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Introduction

High-quality infant care is essential for families. During the first few years of life, children's brain architecture—the foundation for later learning and well-being—is built, with more than 1 million new neural connections formed every second.¹ Given the importance of the early years, infants need child care environments that encourage their healthy growth and development. Parents also need reliable infant care so they can work and support their young families—especially since most parents do not have access to paid family leave—or so they can attend school to get the education and credentials they need for a better job. Today, the majority of women with very young children are working—61.9 percent of mothers with children under age three, including 57.8 percent of mothers with children under age one, are in the labor force.² And mothers' incomes are crucial for their families. According to the most recent data, 42 percent of mothers with children under age 18—including 71 percent of Black mothers, 41 percent of Hispanic mothers, and 37 percent of white mothers—are sole or primary breadwinners, bringing in at least half of family earnings, and another 22 percent are co-breadwinners, bringing in between 25 percent and 49 percent of earnings.³

Despite the importance of high-quality infant care, it is hard to find and difficult to afford, particularly for low- and moderate-income families. The average annual cost of infant care ranges from over \$3,500 to more than \$20,000, depending on the state and the type of care.⁴ Infant care costs more than care for older children, and new parents are often dealing with these expenses when they are just starting to work and still have limited incomes and little if any savings. Some families are able to receive child care assistance to help cover these costs through the federal Child Care and Development Block Grant (CCDBG). This program provides funds to states to help low-income families pay for child care as well as to support efforts to improve the quality of care.

Under CCDBG, states have the flexibility, within federal parameters, to determine their own policies. For example, states set their own eligibility criteria, which determine who can receive child care assistance. States also decide how much to pay the child care providers who serve families receiving child care assistance, which determines families' child care options and child care providers' ability to sustain their businesses.

When payment rates for child care providers are too low, providers are reluctant to serve families receiving child care assistance and those providers who do serve these families lack the resources to offer the high-quality care that children need. Without sufficient resources, providers cannot attract and retain good staff, keep child-staff ratios low, purchase sufficient supplies, or maintain facilities. In many cases, low payment rates that do not cover the cost of providing care leave providers struggling to even keep their doors open. Parents receiving child care assistance can only truly access the child care they want for their infants if the rates paid to providers serving these families are adequate.

The federal government establishes some requirements and guidelines for how states should set these payment rates and offers some recommendations on where rates should be set. However, it does not require states to set provider payment rates at any particular level. Consequently, most states are not paying adequate rates for infant care, making it challenging for families receiving child care assistance to access the high-quality care their very young children need. Forty-four states and the District of Columbia (counted as a state in the analysis below) fail to set payment rates for infant care in a child care center at recommended levels. This harms families, children, and providers.

This report analyzes state-by-state data from February 2018 on payment rates for infant care, including:

- **Payment rates for center care (care in a child care center) for infants compared to the federally recommended level:** This comparison helps in evaluating whether state payment rates are sufficient to give families receiving child care assistance and looking for infant care an adequate choice of child care centers.
- **Payment rates for family child care (care by a regulated provider in the provider's own home) for infants compared to the federally recommended level:** This comparison helps in assessing whether state payment rates are sufficient to provide families receiving child care assistance and looking for infant care with an adequate choice of family child care homes.
- **Tiered (higher) payment rates for higher-quality center care for infants:** This analysis assesses the extent to which states are offering adequate resources and incentives for child care centers caring for infants to meet higher quality standards.
- **Tiered payment rates for higher-quality family child care for infants:** This analysis examines the extent to which states are offering adequate resources and incentives for family child care providers caring for infants to meet higher quality standards.
- **Payment rates for center care for infants compared to payment rates for center care for preschool-age children:** This comparison enables states to more closely examine whether their rates for infant care exceed their rates for preschool-age care by enough to offset the additional costs of caring for very young children and to offer providers incentive to offer care to infants.
- **Payment rates for center care for infants compared to payment rates for family child care for infants:** This comparison gives states information to help determine whether the difference between their rates for family child care and their rates for center care is justifiable, based on differences in market prices, the need to provide additional incentives for one type of care to secure an adequate supply of that care, or other factors related to ensuring sufficient child care options for families and their infants.

Key findings from this analysis of payment rates for infant care as of February 2018 include:

- Only six states paid rates for center care for infants that were at or above the federally recommended level (the 75th percentile of current market rates); the remaining states set rates below the recommended level, including 24 states with rates for center care for infants that were 20 percent or more below the recommended level.
- Only 12 states paid rates for family child care for infants that were at or above the federally recommended level (the 75th percentile of current market rates); the remaining states set rates below the recommended level, including 14 states with rates for family child care for infants that were 20 percent or more below the recommended level.
- Forty states paid tiered (higher) rates for infant care provided by centers meeting higher-quality standards, but in 28 of these states, rates for centers at the highest quality level were still below the federally recommended level.
- Thirty-nine states paid tiered rates for infant care provided by family child care homes meeting higher-quality standards, but in 20 of these states, rates for family child care at the highest quality level were still below the federally recommended level.
- All states paid higher rates for infant care than for preschool-age care, but the amount by which rates for infant care exceeded rates for preschool-age care varied widely, from 5 percent to 101 percent.
- Forty-eight states paid higher rates for infant care in centers than in family child care, with the amount by which rates for centers exceeded rates for family child care ranging from 4 percent to 129 percent. Two states paid higher rates for infant care in family child care than in centers, and one state paid the same rates for infant care in centers as in family child care.

In March 2018, CCDBG received a historic funding increase of \$2.37 billion—bringing total funding to \$8.143 billion in FY 2018⁵—and many states used a portion of these funds to raise payment rates for infant care. Yet, given that so many states had such low payment rates for infant care, significant additional investments will be needed to fully close existing gaps and enable families to access the care they want for their very young children.

Infant Care Payment Rates Are Below Recommended Payment Levels in Most States

Adequate payment rates for infant care are crucial to ensure that providers serving families receiving child care assistance have the resources necessary to support their programs. Child care providers need sufficient resources to pay salaries that allow them to attract and retain qualified teachers and that allow teachers to earn enough to support themselves and their families. Providers also require sufficient resources to maintain low child-teacher ratios—so that very young children can receive the individualized attention they need—as well as buy cribs and high chairs, purchase books and learning materials, maintain safe facilities, and cover other expenses. Federal regulations recommend that rates be set at the 75th percentile of current market rates for a given category of care.⁶ This rate is designed to give families access to 75 percent of the providers in their community.

The vast majority of states set their payment rates for infant care below this federally recommended level, including many states that set their payment rates substantially below the recommended level.⁷ As a result of these low rates that fail to cover the cost of providing care, high-quality providers are discouraged from serving families receiving child care assistance and their infants. Providers that do serve these families do not have the resources they need to support high-quality infant care—or, in some cases, even stay in business.

- Only six states (Arkansas, California, Indiana, New Mexico, North Carolina, and South Carolina) had payment rates for center care for a one-year-old that were at or above the 75th percentile of market rates (based on the state's most recent market rate

survey) for this type of care in February 2018 (see *Table 1*).⁸ In the remaining 45 states, payment rates for center care for a one-year-old were below the 75th percentile of market rates, including 24 states where the payment rate was at least 20 percent below the 75th percentile of market rates.

Payment Rates for Center Care for a One-Year-Old Compared to the 75th Percentile of Market Rates

<i>Payment rates were below the 75th percentile of market rates for this type of care by...</i>	<i>In this number of states...</i>
1 to 9 percent	8
10 to 19 percent	13
20 to 29 percent	12
30 to 39 percent	8
40 to 52 percent	4

As a result of low rates that fail to cover the cost of providing care, high-quality providers are discouraged from serving families receiving child care assistance and their infants.

- Only 12 states (Arkansas, California, Connecticut, Illinois, Maine, Michigan, Montana, New York, North Carolina, South Carolina, Washington, and West Virginia) had payment rates for family child care for a one-year-old that were at or above the 75th percentile of market rates (based on the state's most recent market rate survey) for this type of care in February 2018.⁹ In the remaining 37 states for which data were available,¹⁰ payment rates for family child care for a one-year-old were below the 75th percentile of market rates, including 14 states where the payment rate was at least 20 percent below the 75th percentile of market rates.
- Sixteen states (Alaska, California, District of Columbia, Florida, Hawaii, Maine, Maryland, Massachusetts, Michigan, Nebraska, New Hampshire, New Jersey, North Carolina, North Dakota, Oregon, and Washington) increased their payment rates for center care and/or family child care for infants between February 2017 and February 2018.¹¹

Payment Rates for Family Child Care for a One-Year-Old Compared to the 75th Percentile of Market Rates	
<i>Payment rates were below the 75th percentile of market rates for this type of care by...</i>	<i>In this number of states...</i>
1 to 9 percent	6
10 to 19 percent	17
20 to 29 percent	10
30 to 39 percent	2
40 to 45 percent	2

Four-Fifths of States Pay Tiered Rates for Higher-Quality Care for Infants

Forty states had higher payment rates (tiered rates) for infant care provided by centers that met higher-quality standards in February 2018, the same number of states as in February 2017.¹² All but one of these states also had tiered rates for infant care by family child care providers. Some of these states with tiered rates 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, the differential should be large enough to cover the additional costs entailed in raising quality to meet the standards required to receive a higher rate. These costs include expenses for the additional teachers needed to reduce child-teacher ratios, increased salaries for teachers with advanced education in early childhood development, teacher training, facilities upgrades, and/or new equipment and materials. Small independent centers, family child care providers, and child care providers located in low-income communities—which often struggle just to stay in business—in particular need significant additional resources to enable them to reach and sustain higher quality levels. Yet, in many states, the differential is small and even the rate for providers at the highest quality level falls below the recommended level.

Tiered payment rates can offer child care providers incentives and support to improve the quality of their care.

TIERED RATES FOR CENTER CARE FOR INFANTS

In over two-thirds of states with tiered rates for center care for infants, the payment rate at the highest quality level fell below the 75th percentile of current market rates in February 2018. In over two-fifths of states with tiered rates for center care for infants, the highest payment rate was less than 20 percent above the base rate.

- Nine of the 40 states with tiered rates for center care for a one-year-old had two rate levels (including the base level),¹³ six states had three levels, 14 states had four levels, seven states had five levels, two states had six levels, and two states had seven levels in February 2018 (see *Table 2*).¹⁴
- In over two-thirds of the 40 states with tiered rates for center care for a one-year-old, the payment rate for this type of care 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) for this type of care in February 2018.¹⁵
- In 28 of the 40 states, the payment rate at the highest quality level was below the 75th percentile of market rates. In 11 of these states (Alabama, Arizona, Connecticut, Delaware, District of Columbia, Georgia, Kentucky, Massachusetts, Mississippi, New Jersey, and Washington), the payment rate at the highest quality level was at least 20 percent below the 75th percentile.

- In 12 of the 40 states, the payment rate at the highest quality level was above the 75th percentile of market rates. In six of these states (Arkansas, Montana, Nebraska, New Mexico, New York, and South Carolina), the payment rate at the highest quality level was at least 10 percent above the 75th percentile.
- Among the 40 states with tiered rates for center care for a one-year-old, the difference between a state's lowest rate and highest rate for this type of care ranged from 2 percent in New Jersey to 123 percent in North Carolina in February 2018.¹⁶ In 17 of these 40 states, the highest rate was less than 20 percent above the lowest rate.

Tiered Rate Differential for Center Care for a One-Year-Old	
<i>The highest rate exceeded the lowest rate by...</i>	<i>In this number of states...</i>
2 to 9 percent	5
10 to 19 percent	12
20 to 29 percent	9
30 to 49 percent	9
50 percent or more	5

- In four states (Louisiana, Michigan, North Carolina, and Pennsylvania), the differential between the lowest and highest rates for center care for a one-year-old was greater in February 2018 than in February 2017. In one state (New Jersey), the differential between the lowest and highest rates was smaller in 2018 than in 2017 because it raised its base rate but kept its highest rate the same. In the remaining 35 states with tiered rates for center care for a one-year-old, the differential between the lowest and highest rates was the same in February 2018 as in February 2017.
- In the majority of states with tiered rates, the differential between the lowest and highest rates for

center care for a one-year-old was the same as the differential between the lowest and highest rates for center care for a four-year-old in February 2018, but the differential for care for a one-year-old was greater in some states and smaller in others (see *Table 3*). In many states and communities, it may be necessary for the tiered rate differential for infant care to be greater than that for care for other age groups to address a particularly serious shortage of high-quality infant care.

- In 22 states, the differential between the lowest and highest rates for center care for a one-year-old was equal to the differential between the lowest and highest rates for center care for a four-year-old.
- In six states, the differential between the lowest and highest rates for center care for a one-year-old was greater than the differential between the lowest and highest rates for center care for a four-year-old—by anywhere from 1 percentage point more in Colorado to 60 percentage points more in North Carolina.
- In 11 states, the differential between the lowest and highest rates for center care for a one-year-old was smaller than the differential between the lowest and highest rates for center care for a four-year-old—by anywhere from 1 percentage point less in Kentucky to 24 percentage points less in Nevada.
- One state (Massachusetts) had tiered rates for care for infants and toddlers (up to 2.9 years of age), but not for preschoolers, and one state (Hawaii) had tiered rates for care for preschoolers (from 24 months old through the eligible age for kindergarten or junior kindergarten), but not for infants.

TIERED RATES FOR FAMILY CHILD CARE FOR INFANTS

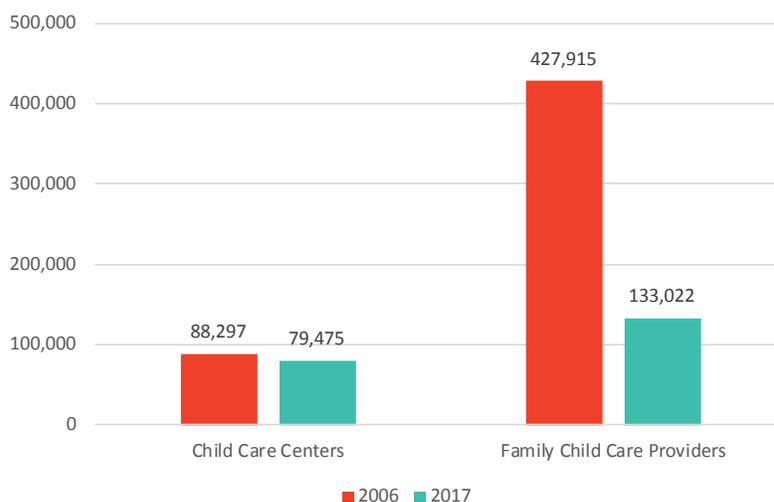
Most states with tiered rates for center care for infants also had tiered rates for family child care for infants, and in most states, tiered rates were structured

similarly for both types of care. However, in a number of states, the amount of the differential between the lowest and highest rates differed by the type of care. As with center care for infants, the payment rate for family child care for infants at the highest quality level was still below the recommended level in many of the states with tiered rates for this type of care.

Adequate base rates as well as sufficient differentials for tiered rates for family child care are essential to ensure that high-quality family child care is available to families who prefer this option for their very young children—particularly since the supply of family child care appears to be trending downward. As the number of children receiving child care assistance declined over the previous decade, there was a corresponding decline in the number of providers receiving CCDBG funds to serve children receiving assistance, with a particularly dramatic drop among family child care providers.¹⁷ Between 2006 and 2017, the number of centers serving families receiving CCDBG assistance decreased by 10 percent (from 88,297 to 79,475), while the number of family child care providers serving families receiving CCDBG assistance decreased by 69 percent (from 427,915 to 133,022).¹⁸

- Thirty-nine states had tiered rates for family child care for a one-year-old in February 2018 (see Table 4).
 - One state (Alabama) that had tiered rates for center care for a one-year-old did not have tiered rates for family child care for a one-year-old.
- Nine of the 39 states with tiered rates for family child care for a one-year-old had two rate levels (including the base level), seven states had three levels, 14 states had four levels, six states had five levels, one state had six levels, and two states had seven levels in February 2018.
 - Most states had the same number of tier levels for family child care as for center care, but one state (South Carolina) had fewer levels for family child care than for center care (three versus five levels).
- In just over half of the 39 states with tiered rates for family child care for a one-year-old, 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) for this type of care in February 2018.¹⁹

Number of Centers and Family Child Care Providers Serving Families Receiving CCDBG Assistance



Source: U.S. Department of Health and Human Services, Child Care and Development Fund Statistics

- In 20 of the 39 states, the payment rate at the highest quality level was below the 75th percentile of market rates. In four of these states (District of Columbia, Georgia, Louisiana, and Mississippi), the payment rate at the highest quality level was at least 20 percent below the 75th percentile.
- In 17 of the 39 states, the payment rate at the highest quality level was above the 75th percentile of market rates. In 11 of these states (Arkansas, Colorado, Connecticut, Illinois, Maine, Michigan, Montana, Nebraska, New Mexico, New York, and West Virginia), the payment rate at the highest quality level was at least 10 percent above the 75th percentile.
- In two of the 39 states, data on the 75th percentile of market rates for family child care were not available.
- Among the 39 states with tiered rates for family child care for a one-year-old, the difference between a state's lowest rate and highest rate for this type of care ranged from 3 percent in Massachusetts to 99 percent in Oklahoma in February 2018.²⁰ In 16 of these 39 states, the highest rate was less than 20 percent above the lowest rate.
- In five states (Louisiana, Michigan, Nebraska, North Carolina, and Pennsylvania), the differential between the lowest and highest rates for family child care for a one-year-old was greater in February 2018 than in February 2017. In the remaining 34 states with tiered rates for family child care for a one-year-old, the differential between the lowest and highest rates was the same in February 2018 as in February 2017.
- In approximately half of the states with tiered rates, the differential between the lowest and highest rates for family child care for a one-year-old was the same as the differential between the lowest and highest rates for center care for a one-year-old in February 2018, but differential was greater for family child care than center care in some states and smaller in others.
- In 20 states, the differential between the lowest and highest rates for family child care for a one-year-old was equal to the differential between the lowest and highest rates for center care for a one-year-old.
- In nine states, the differential between the lowest and highest rates for family child care for a one-year-old was greater than the differential between the lowest and highest rates for center care for a one-year-old—by anywhere from 1 percentage point more in Tennessee and Kentucky to 10 percentage points more in Michigan.
- In 10 states, the differential between the lowest and highest rates for family child care for a one-year-old was smaller than the differential between the lowest and highest rates for center care for a one-year-old—by anywhere from 1 percentage point less in Colorado to 45 percentage points less in North Carolina.

Tiered Rate Differential for Family Child Care for a One-Year-Old	
<i>The highest rate exceeded the lowest rate by...</i>	<i>In this number of states...</i>
3 to 9 percent	6
10 to 19 percent	10
20 to 29 percent	11
30 to 49 percent	10
50 percent or more	2

Infant Care Payment Rates Exceed Preschool-Age Care Payment Rates in All States

All states pay higher rates for infant care than for preschool-age care. This reflects the fact that, in the private market, child care providers charge more for infant care than for care for older children. Infant care requires more staff to provide the individualized attention that very young children need, and is therefore more costly to provide.

While payment rates for infant care are higher than those for care for preschool-age children in every state, the extent of that difference varies widely across states, due to various factors. Some states have a greater difference in market prices by age group than others, and the difference in payment rates simply reflects this difference. Some states have a particularly wide difference between payment rates by age group because they set the infant care rate at a higher percentile of market rates than is used for preschool-age care or because they have increased rates for infant care more frequently or more recently than rates for other age categories.²¹ For example, the District of Columbia increased payment rates for infant and toddler care by 15 percent in October 2013 and by an additional 4 percent in October 2017, while leaving rates for care for other age groups unchanged since 2006—and the state's payment rate for center care for an infant was 55 percent higher than that for a preschooler in February 2018. It is important for all states to carefully examine whether infant care rates exceed rates for preschool-age care by enough to compensate providers for the additional costs of providing infant care and to offer incentives to provide infant care in communities where there are few if any infant slots available.

- The amount by which the payment rate for center care for a one-year-old exceeded the payment rate for center care for a four-year-old ranged from 5 percent in Louisiana to 101 percent in Hawaii in February 2018 (see Table 5).²²
- In approximately two-fifths (21) of the states, the payment rate for center care for a one-year-old was less than 20 percent higher than the payment rate for center care for a four-year-old in February 2018. In approximately three-fifths (30) of the states, the payment rate for center care for a one-year-old was at least 20 percent higher than the payment rate for center care for a four-year-old.

Comparison of Payment Rates for Center Care for a One-Year-Old and a Four-Year-Old

<i>The payment rate for center care for a one-year-old exceeded the payment rate for center care for a four-year-old by...</i>	<i>In this number of states...</i>
5 to 9 percent	3
10 to 19 percent	18
20 to 29 percent	11
30 to 39 percent	7
40 to 49 percent	3
50 percent or more	9

- The percentage difference between the payment rate for center care for a one-year-old and the payment rate for center care for a four-year-old changed in 11 states between February 2017 and February 2018.²³

- Two states (District of Columbia and North Carolina) increased payment rates for center care for a one-year-old, but not for center care for a four-year-old,²⁴ resulting in an increase in the differential between payment rates for center care for a one-year-old and for a four-year-old.
- Nebraska increased payment rates for center care for a four-year-old but not for a one-year-old, resulting in a decrease in the differential between payment rates for center care for a one-year-old and for a four-year-old.²⁵
- Five states (California, Massachusetts, New Hampshire, New Jersey, and North Dakota) increased payment rates for center care for both a one-year-old and a four-year-old, and there was an increase in the differential between payment rates for center care for a one-year-old and for a four-year-old.
- Three states (Alaska, Hawaii, and Michigan) increased payment rates for center care for both a one-year-old and a four-year-old, and there was a decrease in the differential between payment rates for center care for a one-year-old and for a four-year-old.
- Three states (Florida, Maryland, and Washington) increased payment rates for center care for both a one-year-old and a four-year-old, and there was no change in the differential between payment rates for center care for a one-year-old and for a four-year-old.

Infant care requires more staff to provide the individualized attention that very young children need, and is therefore more costly to provide.

Centers Receive Higher Payment Rates for Infant Care than Family Child Care Homes in Most States

All but three states pay higher rates for infant care in child care centers than in family child care homes (see *Table 6*).²⁶ However, the differential between rates for center care and family child care varies widely across states—depending on the relative cost of providing each type of care, the relative supply and demand of each type of care, and policy choices in each state. State decisions about where to set their payment rates for center care and family child care relative to one another are important because they affect the child care options families have and whether they can access the care they prefer for their children.

Some states may have a large differential in payment rates between types of care that merely reflects a large differential in market prices between center care and family child care in the state. Other states have a large differential in payment rates because they have made a deliberate decision to increase rates more, or more frequently, for center care than family child care. And some states have a small differential between payment rates for center care and family child care, or rates for family child care that are actually higher than rates for center care, because they have made a deliberate decision to bolster family child care.²⁷ In a few states, unions representing family child care providers have won rate increases that only apply to those providers. For example, New Jersey increased payment rates for approved home providers and registered family child care providers represented by the Child Care Workers Union in April 2014 and again in August 2014, while payment rates for centers remained the same from 2008 through 2017, before receiving a small increase in January 2018²⁸; the state's payment rate for center care for an infant was only 7 percent higher than the payment rate for family child care for an infant in February 2018.

- In two states (Connecticut and Washington), the payment rate for center care for a one-year-old was lower than the payment rate for family child care for a one-year-old (by 5 percent and 19 percent, respectively) in February 2018. Both of these states have unions representing family child care providers.
- In one state (Arkansas), the payment rate for center care for a one-year-old was equal to the payment rate for family child care for a one-year-old.
- In the remaining 48 states, the payment rate for center care for a one-year-old was higher than the payment rate for family child care for a one-year-old. The payment rate for center care for a one-year-old was at least 30 percent higher than the payment rate for family child care for a one-year-old in over two-fifths (21) of these states, including one state (Hawaii) where the payment rate for center care for a one-year-old was 129 percent higher than the payment rate for family child care for a one-year-old.

Comparison of Payment Rates for Center Care and Family Child Care for a One-Year-Old	
<i>The payment rate for center care for a one-year-old exceeded the payment rate for family child care for a one-year-old by...</i>	<i>In this number of states...</i>
4 to 9 percent	5
10 to 19 percent	5
20 to 29 percent	17
30 to 39 percent	9
40 to 49 percent	4
50 to 99 percent	7
100 percent or more	1

Payment Rates Have Increased in Many States Since February 2018

Although comprehensive data on payment rate changes since February 2018 are not yet available, approximately three-fifths of the states have reported increases in their base payment rates and/or tiered payment rates for infant care over the past year. Many of these increases were made possible by the historic CCDBG funding increase enacted in March 2018.

INCREASES IN BASE PAYMENT RATES

Twenty-eight states increased their base payment rates²⁹ for center care and/or family child care for infants after February 2018.³⁰

- 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 one-year-old in Birmingham increased from \$511 to \$615.
- Georgia increased its base payment rates for care for infants and toddlers to the 25th percentile of 2017 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) increased from \$559 to \$624.
- Idaho increased its payment rates from the 65th percentile of 2015 market rates to the 65th percentile of 2018 market rates as of February 2019. For example, the monthly payment rate for center care for a one-year-old in Boise increased from \$684 to \$726.
- 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 one-year-old in Group 1A Counties (which includes Cook County) increased from \$1,007 to \$1,049.
- Iowa increased its base payment rates from approximately 8.2 percent above the 75th percentile of 2004 market rates to at least the 45th percentile of 2017 market rates as of January 2019. For example, the monthly payment rate for center care for a one-year-old statewide increased from \$738 to \$748.
- Kansas increased its payment rates from the 40th percentile of 2014 market rates (for each county group) to the 65th percentile of 2017 market rates as of November 2018. For example, the monthly payment rate for center care for a one-year-old in Sedgwick County increased from \$694 to \$740.
- Kentucky increased its base payment rates to at least the 40th percentile of 2017 market rates as of December 2018. For example, the monthly payment rate for center care for a one-year-old in the Central Region increased from \$541 to \$606.
- 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 one-year-old in Cumberland County increased from \$1,057 to \$1,312.
- 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 one-year-old in Region W (which includes Anne Arundel, Calvert,

Carroll, Charles, and Prince George's Counties) increased from \$883 to \$953.

- Massachusetts increased its base payment rates for centers by 4.58 percent as of October 2018 (retroactive to July 2018) and increased its base payment rates for family child care by 3.94 percent as of July 2018. For example, the monthly payment rate for center care for a one-year-old in the Northeast Region increased from \$1,407 to \$1,472.
- 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 one-year-old statewide increased from \$339 to \$480.
- Montana increased its base payment rates to the 75th percentile of 2016 market rates as of October 2018. For example, the monthly payment rate for center care for a one-year-old in Yellowstone increased from \$758 to \$866.³¹
- 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 one-year-old in urban counties increased from \$927 to \$931.
- Nevada increased its base payment rates from the 75th percentile of 2004 market rates to the 55th percentile of 2015 market rates as of March 2019. For example, the monthly payment rate for center care for a one-year-old in Clark County increased from \$606 to \$823.
- New Jersey increased its base payment rates for center care for infants, toddlers, and preschoolers as of May 2018, and then implemented further increases in payment rates for centers as of January 2019. For example, the monthly payment rate for center care for a one-year-old statewide increased from \$716 to \$904.
- 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 one-year-old statewide increased from \$724 to \$750.
- Oklahoma increased its base payment rates for family child care by 7 percent as of August 2018. For example, the monthly payment rate for family child care for a one-year-old in Enhanced Areas increased from \$314 to \$336.³²
- Oregon increased its base payment rates as of January 2019. For example, the monthly payment rate for center care for a one-year-old in Group A (which includes Portland) increased from \$1,255 to \$1,415.
- Pennsylvania increased its base payment rates by 2.5 percent as of August 2018. For example, the monthly payment rate for center care for a one-year-old in Philadelphia increased from \$902 to \$924.
- Rhode Island increased its base payment rates as of July 2018. For example, the monthly payment rate for center care for a one-year-old statewide increased from \$838 to \$859.
- 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 one-year-old in Minnehaha County increased from \$770 to \$789.

Approximately three-fifths of the states have reported increases in their base payment rates and/or tiered payment rates for infant care since February 2018.

- Tennessee increased its base payment rates by 35 percent for care for infants and toddlers and by 20 percent for care for preschoolers and school-age children as of April 2019. For example, the monthly payment rate for center care for a one-year-old in Top Tier Counties is expected to increase from \$572 to \$771.³³
- Texas increased its base payment rates by 2 percent as of August 2018. For example, the monthly payment rate for center care for a one-year-old in the Gulf Coast area increased from \$713 to \$727.
- 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 one-year-old statewide increased from \$758 to \$800.
- 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 one-year-old in Fairfax County increased from \$1,364 to \$1,775.
- Washington increased its base payment rates as of February 2019. For example, the monthly payment rate for center care for a one-year-old in King County increased from \$957 to \$1,290.
- Wisconsin increased its base payment rates for care for children birth through age three as of October 2018,³⁴ and then increased payment rates for care for all age groups by 5 percent as of January 2019. For example, the monthly payment rate for center care for a one-year-old in Milwaukee increased from \$1,016 to \$1,169.

INCREASES IN TIERED PAYMENT RATES

Thirteen states increased, or planned to increase, their tiered payment rates for higher-quality infant 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 one-year-old increased from \$633 to \$691, while four- and five-star providers, which previously received the base rate, began receiving monthly payment rates of \$633 and \$691, respectively, compared to the base rate of \$576.
- 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. As described above, the base rate upon which these rates are calculated also increased in January 2019, which further raised payment rates for higher-quality care. For example, the monthly payment rate for care for a one-year-old in Zone 1 increased from \$586 to \$686 for a one-star center, from \$614 to \$748 for a two-star center, and from \$698 to \$873 for a three-star center, compared to the new base rate of \$624.³⁵
- Iowa increased 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 introduced two new tiered rate levels for providers at quality

- levels one through four (which previously received the base rate), as of January 2019. For example, the monthly payment rate for care for a one-year-old statewide is \$869 for a center at level one or two and \$902 for a center at level three or four, and increased from \$902 to \$964 for a center at level five, compared to the base rate (which also increased) of \$748.
- Kentucky increased its tiered payment rates as of April 2018. As described above, the base rate upon which these rates are calculated also increased in December 2018, which further raised payment rates for higher-quality care. For example, the monthly payment rate for center care for a one-year-old in the Central Region at the highest quality level increased from \$603³⁶ to \$695,³⁷ compared to the new base rate of \$606.
 - 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 one-year-old statewide at the highest quality level increased from \$375 to \$600, compared to the base rate (which also increased) of \$480.³⁸
 - Nevada increased its tiered payment rates to the 60th percentile of 2015 market rates for providers at the two-star level of the state’s quality rating and improvement system (which has five levels), the 65th percentile for three-star providers, and the 70th percentile for four-star providers as of February 2019. (Payment rates for five-star providers remained at the 75th percentile of 2015 market rates.) For example, the monthly payment rate for care for a one-year-old in Clark County increased from \$693 to \$844 for a two-star center, from \$758 to \$866 for a three-star center, and from \$844 to \$877 for a four-star center, compared to the base rate (which also increased) of \$823.
 - New Jersey established new tiered payment rates for centers with three-, four-, and five-star ratings under the state’s quality rating and improvement system (which has five levels) and serving infants, toddlers, and preschoolers as of June 2018, and then increased these tiered payment rates as of January 2019. The state also increased existing tiered rates for accredited center care as of January 2019. For example, the monthly payment rate for care for a one-year-old statewide is \$1,013 for a three-star center, \$1,063 for a four-star center, and \$1,116 for a five-star center, and increased from \$730 to \$949 for an accredited center, compared to the base rate (which also increased) of \$904.
 - 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 birth through age five in 80 of the state’s 100 counties as of October 2018. For example, the monthly payment rate for care for a one-year-old in Alamance County increased from \$677 to \$693 for a three-star center, from \$770 to \$808 for a four-star center, and from \$925 to \$996 for a five-star center, compared to the base rate of \$402.³⁹
 - 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 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 2018.⁴⁰ For example, the monthly payment rate for care for a one-year-old in Enhanced Areas increased from \$439 to \$472 for one-star-plus centers, from \$624 to \$727 for two-star centers, and from \$732 to \$840 for three-star centers, compared to the base rate (which is paid to one-star centers) of \$336.

- Rhode Island established new tiered payment rates as of July 2018. For example, the monthly payment rate for care for a one-year-old statewide is \$880 for a center at tier two of the state's quality rating and improvement system (which has five levels for centers), \$947 for a center at tier three, \$1,006 for a center at tier four, and \$1,115 for a center at tier five, compared to the base rate (which is paid to centers at tier one and which also increased) of \$859.
- 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 one-year-old in the Gulf Coast area increased from \$748 to \$763 for a two-star center, from \$763 to \$778 for a three-star center, and from \$779 to \$814 for a four-star center, compared to the base rate (which is paid to one-star centers and which also increased) of \$727.
- 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.
- Wisconsin increased its tiered payment rate for four-star providers from 10 percent to 11 percent above the payment rate for three-star providers, and increased its tiered rate for five-star providers from 25 percent to 27 percent above the payment rate for three-star providers, as of January 2019. As described above, the base rate upon which these tiered rates are calculated also increased in October 2018 and again in January 2019, which further raised payment rates for higher-quality care. For example, the monthly payment rate for care for a one-year-old in Milwaukee increased from \$1,070 to \$1,181 for a three-star center, from \$1,177 to \$1,311 for a four-star center, and from \$1,337 to \$1,500 for a five-star center, compared to the base rate (which also increased) of \$1,169.

Conclusion

Infants and their families, particularly infants in low-income families, need high-quality care that offers a nurturing, supportive environment.⁴¹ Child care assistance can help low-income families afford this high-quality infant care that would otherwise be out of reach. Yet, even with assistance, low-income families often still lack high-quality infant care options due to low state payment rates. Meanwhile, the providers who serve these families often struggle to sustain their businesses and pay adequate salaries to their teachers and staff as a result of low payment rates. While a number of states have started to increase payment rates for infant care using their new CCDBG funds, even further increases in payment rates for infant care—across all types of care and all levels of quality—are essential to ensure that children receive the care they need for a strong start and the foundation they need to thrive throughout their lives.

Methodology

The National Women's Law Center collected the data in this report from state child care administrators in the 50 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, including provider payment rates. State child care administrators were asked to provide data on payment rates for providers—including payment rates for providers at different quality levels if the state had tiered rates—and the 75th percentile of market rates for center care for a four-year-old, center care for a one-year-old, and family child care for a one-year-old, in the state's most populous city, county, or region. The survey also requested data on income eligibility limits, waiting lists, parent copayments, and eligibility for child care assistance

for parents searching for a job; these data, along with some of the payment rate data, were analyzed in a separate Center report published in November 2018, *Overdue for Investment: State Child Care Assistance Policies 2018*. The author contacted state administrators for follow-up information on their payment rate and other policies as necessary. The Center obtained supplementary information about states' policies from documents available on state agencies' websites. The Center collected the 2017 data on infant care payment rates used in this report for comparison purposes through a similar process and analyzed these data in the Center's February 2018 report, *Shortchanging our Youngest Children: State Payment Rates for Infant Care*.

Endnotes

- 1 Center on the Developing Child at Harvard University, Key Concepts: Brain Architecture, *available at* <https://developingchild.harvard.edu/science/key-concepts/brain-architecture/>.
- 2 U.S. Department of Labor, Bureau of Labor Statistics, Employment Characteristics of Families—2018 (2019), Table 6, *available at* <http://www.bls.gov/news.release/pdf/famee.pdf>. Labor force participants include those who are working or looking for work.
- 3 Sarah Jane Glynn, Breadwinning Mothers Are Increasingly the U.S. Norm (Washington, DC: Center for American Progress, 2016), 4-7, *available at* <https://cdn.americanprogress.org/content/uploads/2016/12/19065819/Breadwinners-report.pdf>.
- 4 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, Appendices (Arlington, VA: Child Care Aware of America, 2018), 2-5, *available at* <http://usa.childcareaware.org/advocacy-public-policy/resources/research/costofcare/>.
- 5 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>. This funding increase was maintained and slightly expanded in FY 2019, when total funding was increased to \$8.193 billion (\$5.276 billion in discretionary funding and \$2.917 billion in mandatory funding). Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019, H.R. 6157, 115th Cong. 102 (2018) (enacted), *available at* <https://www.congress.gov/115/bills/hr6157/BILLS-115hr6157enr.pdf>.
- 6 This recommendation to set payment rates at the 75th percentile of current market rates is in the preamble to the current regulations issued in September 2016, see 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>. 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 the Center’s annual report on state child care assistance policies for 2018 and prior years, considers rates to be current if based on a market rate survey conducted no more than two years earlier.
- 7 The analysis in this report is based on rates in each state’s most populous city, county, or region. Also note that for states that pay higher rates for higher-quality care, the analysis in this section uses the state’s most common payment rate level (the level representing the greatest number of providers).
- 8 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, 13 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.
- 9 The payment rates for family child care used for the analysis in this report are for regulated care. States vary in how they define regulated family child care and in the threshold number of children in care at which a provider is required to be regulated; some states regulate all providers regularly caring for at least one child, while other states only regulate providers caring for several children. Also note that a few states have separate rates for small family child care homes and for large family child care homes; in such cases, this analysis generally uses rates for small family child care homes.
- 10 Data on the 75th percentile of market rates for family child care for an infant were not available for Indiana and New Jersey.
- 11 In Florida, some—but not all—local early learning coalitions (which determine the level at which payment rates are set and when to increase them) increased their payment rates for infant care. North Carolina increased its rates for infant care in 20 of its 100 counties. Hawaii and New Jersey increased their rates for center care for infants, but not family child care for infants. Maine and Oregon increased their rates for family child care for infants, but not center care for infants. Alaska, California, and New Hampshire increased payment rates to a certain percentile, but the payment rates for family child care for an infant shown in Table 1 did not change because those rates were already at or above the target level. Nebraska increased payment rates to a certain percentile, but the payment rates for center care and family child care for an infant shown in Table 1 did not change because those rates were already at or above the target level.
- 12 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.
- 13 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).
- 14 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.
- 15 For most states, this analysis compares payment rates for providers at the highest quality level to the 75th percentile of market rates for providers at all quality levels. However, a few states, including Florida, Indiana, New Mexico, North Carolina, and Oklahoma differentiate by quality level for their market rate surveys. For each of these states, the rate for centers at the highest quality level is compared to the 75th percentile of market rates for centers at that same quality level.
- 16 There was no clear correlation between the percentage difference in the lowest and highest rates for center care for a one-year-old and whether the state’s highest rate was above or below the 75th percentile of market rates.
- 17 Anitha Mohan, Fewer Children, Fewer Providers: Trends in CCDBG Participation (Washington, DC: CLASP, 2017), *available at* <https://www.clasp.org/sites/default/files/publications/2017/04/CCDBG-Provider-Factsheet-2006-2015.pdf>.
- 18 National Women’s Law Center calculations based on data from U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, Child Care and Development Fund Statistics, FY 2017 CCDF Data Tables (Preliminary) (Published: February 4, 2019), Table 7: Number of Child Care Providers Receiving CCDF Funds, *available at* <https://www.acf.hhs.gov/occ/resource/preliminary-fy2017>; and from U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, Child Care and Development Fund Statistics, FY 2006 CCDF Data Tables (Final) (Published: July 1, 2008), Table 7: Number of Child Care

- Providers Receiving CCDF Funds, available at <https://www.acf.hhs.gov/occ/resource/ccdf-data-06acf800-final>. For the data used in these calculations, family child care providers include licensed and regulated providers, as well as relative and non-relative providers legally operating without regulation, caring for children in the provider's home.
- 19 For most states, this analysis compares payment rates for providers at the highest quality level to the 75th percentile of market rates for providers at all quality levels. However, for Florida, North Carolina, and Oklahoma, which differentiate by quality level for their market rate surveys, the rates for family child care at the highest quality level are compared to the 75th percentile of market rates for family child care at that same quality level. For New Mexico, which also differentiates by quality level for its market rate survey, the rate for family child care at the highest quality level is compared to the 75th percentile of market rates at the base level, because the state's market rate survey collected data from only a very limited number of family child care providers at higher quality levels.
 - 20 There was no clear correlation between the percentage difference in the lowest and highest rates for family child care for a one-year-old and whether the state's highest rate was above or below the 75th percentile of market rates.
 - 21 In addition, some of the variation among states in the differential between payment rates for care for a one-year-old and for a four-year-old may be due to variation in how states define their age groupings. For example, one state may have a payment rate that applies to care for children from birth to age two, while another state may have one payment rate that applies to care for children from birth to age 11 months and a separate payment rate that applies to care for children from age 12 months to 24 months.
 - 22 For states that pay higher rates for higher-quality care, the analysis in this section uses the state's most common payment rate level for center care (the level representing the greatest number of providers).
 - 23 Changes between the data in this report and the payment rates as of February 2017 included in the National Women's Law Center's 2018 report, *Shortchanging Our Youngest Children: State Payment Rates for Infant Care*, other than those changes cited here, are due to changes in the category for which data are reported, rather than actual changes in payment rates or in the differential between rates.
 - 24 North Carolina increased payment rates for center care for a four-year-old in some counties, but not the county shown in Table 5.
 - 25 Nebraska increased its base payment rates for all age groups to the 50th percentile of 2017 market rates as of July 2017, unless existing rates were higher, in which case they were not changed. The state's payment rate for center care for a four-year-old in urban counties was raised to the 50th percentile, but the payment rate for center care for a one-year-old in urban counties was already at or above the 50th percentile and therefore not increased.
 - 26 The analysis in this section compares the base rate for center care to the base rate for family child care for each state, except for North Carolina; for North Carolina, rates for three-star providers are compared, because all providers (except religious-sponsored providers and new providers with a temporary license) must have a three-star rating or higher in the state's quality rating and improvement system (which has five star levels) to serve families receiving child care assistance.
 - 27 In addition, some of the variation among states in the differential between payment rates for center care and for family child care may be due to variation in how states define regulated family child care.
 - 28 New Jersey increased payment rates for centers again in May 2018 and in January 2019.
 - 29 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.
 - 30 Illinois and New Jersey increased their base payment rates for center care, but not family child care. Oklahoma increased its base payment rates for family child care, but not center care.
 - 31 Prior to October 2018, Montana used regional rates. The state now uses a single set of rates statewide.
 - 32 Prior to August 2018, Oklahoma used one set of rates that applied to Enhanced Area counties, which included 19 of the state's 77 counties, and one set of rates that applied to Standard Area counties, which included the remaining counties and which received lower rates than those for Enhanced Areas. The state now uses a single set of rates statewide.
 - 33 Top Tier Counties are those with the 20 highest average populations in 2013 and/or 20 highest per capita incomes in 2011-2013 in Tennessee.
 - 34 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.
 - 35 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.
 - 36 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.
 - 37 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.
 - 38 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.
 - 39 This example uses rates for Alamance County rather than Mecklenburg County, which is North Carolina's most populous county and whose rates are shown in the tables and used elsewhere for the analysis in this report, because Mecklenburg County is among the remaining 20 counties that only had their tiered rates increased for care for children ages three through five, not infants.
 - 40 Oklahoma increased its payment rates in these categories for Enhanced Area counties, which included 19 of the state's 77 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.
 - 41 Suzanne Helburn, Mary L. Culklin, 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. Culklin, 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).

TABLE 1: State Payment Rates for Child Care for a One-Year-Old in 2018 Compared to the Federally Recommended Level

State	City/county/ region	Center care for a one-year-old					Family child care for a one-year-old				
		Monthly state payment rate	75th percentile of market rates	Year of market rate survey	Difference between state rate and 75th percentile	Percentage difference between state rate and 75th percentile	Monthly state payment rate	75th percentile of market rates	Year of market rate survey	Difference between state rate and 75th percentile	Percentage difference between state rate and 75th percentile
Alabama*	Birmingham Region	\$511	\$836	2017	-\$325	-39%	\$407	\$541	2017	-\$134	-25%
Alaska*	Anchorage	\$900	\$1,006	2017	-\$106	-11%	\$700	\$800	2017	-\$100	-13%
Arizona	Maricopa County (Phoenix)	\$576	\$999	2018	-\$423	-42%	\$433	\$541	2018	-\$108	-20%
Arkansas	Urban Areas	\$618	\$615	2015	\$3	1%	\$618	\$541	2015	\$77	14%
California*	Los Angeles County	\$1,594	\$1,594	2016	\$0	0%	\$927	\$925	2016	\$2	0%
Colorado*	Denver County	\$1,088	\$1,529	2015	-\$441	-29%	\$655	\$857	2015	-\$202	-24%
Connecticut	North Central	\$870	\$1,407	2015	-\$537	-38%	\$914	\$866	2015	\$48	6%
Delaware	New Castle County	\$622	\$1,299	2018	-\$677	-52%	\$476	\$834	2018	-\$357	-43%
District of Columbia*	Citywide	\$1,409	\$1,829	2012	-\$420	-23%	\$959	\$1,294	2012	-\$335	-26%
Florida*	Miami-Dade County	\$533	\$650	2017	-\$116	-18%	\$494	\$541	2017	-\$47	-9%
Georgia*	Zone 1	\$559	\$996	2017	-\$437	-44%	\$433	\$693	2017	-\$260	-38%
Hawaii*	Statewide	\$1,490	\$1,795	2017	-\$305	-17%	\$650	\$750	2017	-\$100	-13%
Idaho*	Cluster 2 (Boise)	\$684	\$741	2015	-\$57	-8%	\$588	\$639	2015	-\$51	-8%
Illinois*	Metropolitan Region	\$1,007	\$1,347	2016	-\$340	-25%	\$764	\$758	2016	\$6	1%
Indiana*	Marion County (Indianapolis)	\$1,178	\$1,178	2018	\$0	0%	\$706	N/A	N/A	N/A	N/A
Iowa*	Statewide	\$738	\$964	2017	-\$225	-23%	\$571	\$616	2017	-\$45	-7%
Kansas*	Sedgwick County	\$694	\$756	2017	-\$62	-8%	\$468	\$561	2017	-\$94	-17%
Kentucky*	Central Region	\$553	\$758	2017	-\$205	-27%	\$486	\$585	2017	-\$98	-17%
Louisiana	Statewide	\$487	\$714	2017	-\$227	-32%	\$346	\$628	2017	-\$281	-45%
Maine*	Cumberland County	\$1,057	\$1,312	2018	-\$255	-19%	\$953	\$953	2018	\$0	0%
Maryland*	Region W	\$883	\$1,299	2017	-\$416	-32%	\$693	\$974	2017	-\$281	-29%
Massachusetts*	Northeast (Region 3)	\$1,407	\$1,940	2018	-\$533	-27%	\$918	\$1,083	2018	-\$165	-15%
Michigan*	Statewide	\$926	\$1,027	2015	-\$101	-10%	\$760	\$682	2015	\$78	11%
Minnesota	Hennepin County	\$1,160	\$1,624	2016	-\$463	-29%	\$676	\$823	2016	-\$146	-18%
Mississippi*	Statewide	\$375	\$480	2016	-\$105	-22%	\$272	\$349	2016	-\$77	-22%
Missouri	St. Louis County	\$695	\$1,013	2016	-\$318	-31%	\$435	\$487	2016	-\$52	-11%
Montana*	Billings/Yellowstone	\$796	\$801	2016	-\$5	-1%	\$651	\$650	2016	\$2	0%
Nebraska*	Urban Counties	\$927	\$958	2017	-\$31	-3%	\$650	\$736	2017	-\$87	-12%
Nevada*	Clark County	\$693	\$1,056	2018	-\$363	-34%	\$628	\$752	2015	-\$124	-17%
New Hampshire*	Statewide	\$963	\$1,147	2016	-\$184	-16%	\$747	\$758	2016	-\$11	-1%
New Jersey*	Statewide	\$716	\$1,200	2012	-\$484	-40%	\$670	N/A	N/A	N/A	N/A
New Mexico*	Statewide	\$1,271	\$998	2018	\$273	27%	\$567	\$645	2018	-\$78	-12%
New York	New York City	\$1,606	\$1,650	2015	-\$43	-3%	\$866	\$866	2015	\$0	0%
North Carolina*	Mecklenburg County	\$1,194	\$1,170	2014-2015	\$24	2%	\$751	\$737	2014-15	\$14	2%
North Dakota*	Statewide	\$724	\$790	2017	-\$66	-8%	\$520	\$620	2017	-\$100	-16%
Ohio	Cuyahoga County (Cleveland)	\$713	\$1,125	2016	-\$412	-37%	\$599	\$954	2016	-\$354	-37%
Oklahoma*	Enhanced Area Counties	\$624	\$801	2017	-\$177	-22%	\$580	\$650	2017	-\$70	-11%
Oregon*	Group Area A (Portland)	\$1,255	\$1,455	2018	-\$200	-14%	\$1,030	\$1,254	2018	-\$224	-18%
Pennsylvania*	Philadelphia	\$902	\$1,039	2016	-\$137	-13%	\$729	\$974	2016	-\$246	-25%
Rhode Island*	Statewide	\$838	\$1,037	2015	-\$199	-19%	\$736	\$785	2015	-\$49	-6%
South Carolina	Urban Areas	\$688	\$688	2015	\$0	0%	\$541	\$541	2015	\$0	0%
South Dakota*	Minnehaha County	\$770	\$789	2017	-\$19	-2%	\$555	\$585	2017	-\$29	-5%
Tennessee*	Top Tier Counties	\$684	\$844	2016	-\$160	-19%	\$520	\$585	2016	-\$65	-11%
Texas*	Gulf Coast Area	\$713	\$814	2017	-\$102	-13%	\$558	\$724	2017	-\$167	-23%
Utah*	Statewide	\$758	\$900	2017	-\$142	-16%	\$575	\$650	2017	-\$75	-12%
Vermont*	Statewide	\$912	\$1,126	2017	-\$214	-19%	\$630	\$779	2017	-\$149	-19%
Virginia*	Fairfax County	\$1,364	\$1,806	2018	-\$442	-24%	\$953	\$1,269	2018	-\$316	-25%
Washington*	King County	\$995	\$1,519	2015	-\$523	-34%	\$1,295	\$1,290	2015	\$5	0%
West Virginia	Statewide	\$693	\$747	2017	-\$54	-7%	\$541	\$541	2017	\$0	0%
Wisconsin*	Milwaukee County	\$1,070	\$1,426	2015	-\$356	-25%	\$826	\$1,087	2015	-\$261	-24%
Wyoming	Statewide	\$573	\$750	2017	-\$178	-24%	\$530	\$650	2017	-\$119	-18%

* See table notes on page 27.

TABLE 2: Tiered Payment Rates for Higher-Quality Center Care for a One-Year-Old in 2018

State	City/county/ region	Number of quality tier levels (including base rate)	Monthly payment rate for lowest tier	Monthly payment rate for highest tier	Monthly payment rates between lowest and highest tiers	Difference between lowest and highest tiers	Percentage difference between lowest and highest tiers	75th percentile of market rates	Difference between highest rate and 75th percentile	Percentage difference between highest rate and 75th percentile
Alabama*	Birmingham Region	6	\$511	\$563	\$520, \$529, \$541, \$554	\$52	10%	\$836	-\$273	-33%
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	\$576	\$633	N/A	\$58	10%	\$999	-\$366	-37%
Arkansas	Urban Areas	3	\$618	\$711	\$649	\$93	15%	\$615	\$96	16%
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	\$1,066	\$1,580	\$1,088, \$1,326, \$1,559	\$514	48%	\$1,529	\$51	3%
Connecticut	North Central	2	\$870	\$914	N/A	\$44	5%	\$1,407	-\$493	-35%
Delaware	New Castle County	4	\$622	\$958	\$752, \$874	\$337	54%	\$1,299	-\$341	-26%
District of Columbia*	Citywide	3	\$1,054	\$1,409	\$1,223	\$355	34%	\$1,829	-\$420	-23%
Florida*	Miami-Dade County	2	\$533	\$640	N/A	\$107	20%	\$671	-\$31	-5%
Georgia*	Zone 1	4	\$559	\$698	\$586, \$614	\$139	25%	\$996	-\$298	-30%
Hawaii*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	\$1,007	\$1,157	\$1,107	\$151	15%	\$1,347	-\$189	-14%
Indiana*	Marion County (Indianapolis)	4	\$905	\$1,269	\$1,087, \$1,178	\$364	40%	\$1,178	\$91	8%
Iowa*	Statewide	2	\$738	\$902	N/A	\$164	22%	\$964	-\$62	-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	\$541	\$603	See notes	\$62	12%	\$758	-\$154	-20%
Louisiana*	Statewide	5	\$487	\$599	\$516, \$541, \$568	\$112	23%	\$714	-\$115	-16%
Maine*	Cumberland County	4	\$1,057	\$1,162	\$1,078, \$1,109	\$106	10%	\$1,312	-\$150	-11%
Maryland*	Region W	4	\$883	\$1,272	\$1,078, \$1,210	\$389	44%	\$1,299	-\$27	-2%
Massachusetts*	Northeast (Region 3)	2	\$1,407	\$1,449	N/A	\$42	3%	\$1,940	-\$490	-25%
Michigan*	Statewide	5	\$779	\$1,072	\$828, \$926, \$974	\$292	38%	\$1,027	\$45	4%
Minnesota	Hennepin County	3	\$1,160	\$1,393	\$1,335	\$232	20%	\$1,624	-\$231	-14%
Mississippi*	Statewide	2	\$339	\$375	N/A	\$36	11%	\$480	-\$105	-22%
Missouri	St. Louis County	2	\$695	\$834	N/A	\$139	20%	\$1,013	-\$179	-18%
Montana*	Billings/Yellowstone	5	\$758	\$910	\$796, \$834, \$872	\$152	20%	\$801	\$109	14%
Nebraska*	Urban Counties	7	\$927	\$1,103	\$973, \$1,000, \$1,022, \$1,050, \$1,073	\$176	19%	\$958	\$145	15%
Nevada*	Clark County	5	\$606	\$909	\$693, \$758, \$844	\$303	50%	\$1,056	-\$147	-14%
New Hampshire*	Statewide	3	\$963	\$1,060	\$1,012	\$96	10%	\$1,147	-\$88	-8%
New Jersey*	Statewide	2	\$716	\$730	N/A	\$14	2%	\$1,200	-\$470	-39%
New Mexico*	Statewide	5	\$721	\$1,271	\$809, \$821, \$1,001	\$550	76%	\$998	\$273	27%
New York*	New York City	2	\$1,606	\$1,847	N/A	\$241	15%	\$1,650	\$198	12%
North Carolina*	Mecklenburg County	4	\$536	\$1,194	\$963, \$1,050	\$658	123%	\$1,170	\$24	2%
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	\$713	\$1,001	\$778, \$784, \$875, \$897, \$956	\$288	40%	\$1,125	-\$124	-11%
Oklahoma*	Enhanced Area Counties	4	\$336	\$732	\$439, \$624	\$396	118%	\$905	-\$173	-19%
Oregon*	Group Area A (Portland)	4	\$1,255	\$1,345	\$1,309, \$1,327	\$90	7%	\$1,455	-\$110	-8%
Pennsylvania*	Philadelphia	4	\$902	\$1,125	\$935, \$1,049	\$223	25%	\$1,039	\$86	8%
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	\$628	\$818	\$688, \$732, \$775	\$190	30%	\$688	\$130	19%
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	\$572	\$684	\$602, \$658	\$112	20%	\$844	-\$160	-19%
Texas*	Gulf Coast Area	4	\$713	\$779	\$748, \$763	\$66	9%	\$814	-\$36	-4%
Utah	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vermont*	Statewide	6	\$651	\$912	\$684, \$716, \$781, \$846	\$260	40%	\$1,126	-\$214	-19%
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	\$957	\$1,100	\$995, \$1,053	\$144	15%	\$1,519	-\$418	-28%
West Virginia	Statewide	3	\$693	\$779	\$736	\$87	13%	\$747	\$32	4%
Wisconsin*	Milwaukee County	4	\$1,016	\$1,337	\$1,070, \$1,177	\$321	32%	\$1,426	-\$89	-6%
Wyoming	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* See table notes on page 27.

TABLE 3: Comparison of Tiered Rates for Center Care for a Four-Year-Old and a One-Year-Old in 2018

State	City/county/ region	Center care for a one-year-old				Center care for a four-year-old				Gap between tiered differentials for care for a one-year-old and care for a four-year-old (in percentage points)
		Monthly payment rate for lowest tier	Monthly payment rate for highest tier	Difference between lowest and highest tiers	Percentage difference between lowest and highest tiers	Monthly payment rate for lowest tier	Monthly payment rate for highest tier	Difference between lowest and highest tiers	Percentage difference between lowest and highest tiers	
Alabama*	Birmingham Region	\$511	\$563	\$52	10%	\$468	\$515	\$48	10%	0%
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)	\$576	\$633	\$58	10%	\$515	\$567	\$52	10%	0%
Arkansas	Urban Areas	\$618	\$711	\$93	15%	\$511	\$588	\$77	15%	0%
California	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Colorado*	Denver County	\$1,066	\$1,580	\$514	48%	\$682	\$1,001	\$319	47%	1%
Connecticut	North Central	\$870	\$914	\$44	5%	\$693	\$727	\$35	5%	0%
Delaware	New Castle County	\$622	\$958	\$337	54%	\$574	\$883	\$310	54%	0%
District of Columbia*	Citywide	\$1,054	\$1,409	\$355	34%	\$632	\$909	\$277	44%	-10%
Florida*	Miami-Dade County	\$533	\$640	\$107	20%	\$482	\$578	\$96	20%	0%
Georgia*	Zone 1	\$559	\$698	\$139	25%	\$494	\$618	\$124	25%	0%
Hawaii*	Statewide	N/A	N/A	N/A	N/A	\$740	\$919	\$179	24%	N/A
Idaho	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Illinois*	Metropolitan Region	\$1,007	\$1,157	\$151	15%	\$708	\$815	\$106	15%	0%
Indiana	Marion County (Indianapolis)	\$905	\$1,269	\$364	40%	\$762	\$1,065	\$303	40%	0%
Iowa*	Statewide	\$738	\$902	\$164	22%	\$595	\$770	\$175	29%	-7%
Kansas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kentucky*	Central Region	\$541	\$603	\$62	12%	\$476	\$538	\$61	13%	-1%
Louisiana*	Statewide	\$487	\$599	\$112	23%	\$465	\$573	\$107	23%	0%
Maine*	Cumberland County	\$1,057	\$1,162	\$106	10%	\$909	\$1,000	\$91	10%	0%
Maryland*	Region W	\$883	\$1,272	\$389	44%	\$559	\$704	\$145	26%	18%
Massachusetts*	Northeast (Region 3)	\$1,407	\$1,449	\$42	3%	N/A	N/A	N/A	N/A	N/A
Michigan*	Statewide	\$779	\$1,072	\$292	38%	\$536	\$828	\$292	55%	-17%
Minnesota	Hennepin County	\$1,160	\$1,393	\$232	20%	\$870	\$1,044	\$174	20%	0%
Mississippi*	Statewide	\$339	\$375	\$36	11%	\$312	\$339	\$27	9%	2%
Missouri	St. Louis County	\$695	\$834	\$139	20%	\$406	\$487	\$81	20%	0%
Montana*	Billings/Yellowstone	\$758	\$910	\$152	20%	\$662	\$794	\$132	20%	0%
Nebraska*	Urban Counties	\$927	\$1,103	\$176	19%	\$801	\$1,024	\$223	28%	-9%
Nevada*	Clark County	\$606	\$909	\$303	50%	\$498	\$866	\$368	74%	-24%
New Hampshire*	Statewide	\$963	\$1,060	\$96	10%	\$801	\$881	\$80	10%	0%
New Jersey*	Statewide	\$716	\$730	\$14	2%	\$579	\$604	\$25	4%	-2%
New Mexico	Statewide	\$721	\$1,271	\$550	76%	\$491	\$841	\$350	71%	5%
New York*	New York City	\$1,606	\$1,847	\$241	15%	\$1,048	\$1,205	\$157	15%	0%
North Carolina*	Mecklenburg County	\$536	\$1,194	\$658	123%	\$477	\$776	\$299	63%	60%
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)	\$713	\$1,001	\$288	40%	\$570	\$800	\$230	40%	0%
Oklahoma*	Enhanced Area Counties	\$336	\$732	\$396	118%	\$292	\$509	\$217	74%	44%
Oregon*	Group Area A (Portland)	\$1,255	\$1,345	\$90	7%	\$965	\$1,055	\$90	9%	-2%
Pennsylvania*	Philadelphia	\$902	\$1,125	\$223	25%	\$707	\$906	\$199	28%	-3%
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	\$628	\$818	\$190	30%	\$563	\$758	\$195	35%	-4%
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	\$572	\$684	\$112	20%	\$429	\$515	\$86	20%	0%
Texas*	Gulf Coast Area	\$713	\$779	\$66	9%	\$507	\$554	\$47	9%	0%
Utah	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vermont*	Statewide	\$651	\$912	\$260	40%	\$578	\$809	\$231	40%	0%
Virginia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Washington*	King County	\$957	\$1,100	\$144	15%	\$803	\$924	\$121	15%	0%
West Virginia	Statewide	\$693	\$779	\$87	13%	\$606	\$693	\$87	14%	-2%
Wisconsin*	Milwaukee County	\$1,016	\$1,337	\$321	32%	\$789	\$1,038	\$249	32%	0%
Wyoming	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* See table notes on page 27.

TABLE 4: Tiered Payment Rates for Higher-Quality Family Child Care for a One-Year-Old in 2018

State	City/county/ region	Number of quality tier levels (including base rate)	Monthly payment rate for lowest tier	Monthly payment rate for highest tier	Monthly payment rates between lowest and highest tiers	Difference between lowest and highest tiers	Percentage difference between lowest and highest tiers	75th percentile of market rates	Difference between highest rate and 75th percentile	Percentage difference between highest rate and 75th percentile
Alabama	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	\$433	\$476	N/A	\$43	10%	\$541	-\$65	-12%
Arkansas	Urban Areas	3	\$618	\$711	\$649	\$93	15%	\$541	\$170	31%
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	\$639	\$942	\$655, \$790, \$936	\$303	47%	\$857	\$85	10%
Connecticut	North Central	2	\$914	\$959	N/A	\$46	5%	\$866	\$93	11%
Delaware	New Castle County	4	\$476	\$707	\$554, \$644	\$230	48%	\$834	-\$127	-15%
District of Columbia*	Citywide	3	\$780	\$959	\$851	\$178	23%	\$1,294	-\$335	-26%
Florida*	Miami-Dade County	2	\$494	\$593	N/A	\$99	20%	\$612	-\$18	-3%
Georgia*	Zone 1	4	\$433	\$541	\$455, \$476	\$108	25%	\$693	-\$152	-22%
Hawaii*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	\$764	\$879	\$841	\$115	15%	\$758	\$121	16%
Indiana*	Marion County (Indianapolis)	4	\$541	\$758	\$650, \$706	\$217	40%	N/A	N/A	N/A
Iowa*	Statewide	2	\$571	\$605	N/A	\$34	6%	\$616	-\$11	-2%
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	\$537	See notes	\$60	13%	\$585	-\$48	-8%
Louisiana*	Statewide	5	\$346	\$426	\$367, \$385, \$404	\$80	23%	\$628	-\$202	-32%
Maine*	Cumberland County	4	\$953	\$1,048	\$972, \$1,000	\$95	10%	\$953	\$95	10%
Maryland*	Region W	4	\$693	\$894	\$769, \$845	\$201	29%	\$974	-\$81	-8%
Massachusetts*	Northeast (Region 3)	2	\$918	\$945	N/A	\$28	3%	\$1,083	-\$137	-13%
Michigan*	Statewide	5	\$614	\$906	\$662, \$760, \$809	\$292	48%	\$682	\$224	33%
Minnesota	Hennepin County	3	\$676	\$811	\$778	\$135	20%	\$823	-\$11	-1%
Mississippi*	Statewide	2	\$245	\$272	N/A	\$27	11%	\$349	-\$77	-22%
Missouri	St. Louis County	2	\$435	\$522	N/A	\$87	20%	\$487	\$35	7%
Montana*	Billings/Yellowstone	5	\$620	\$744	\$651, \$682, \$713	\$124	20%	\$650	\$95	15%
Nebraska*	Urban Counties	7	\$650	\$812	\$682, \$716, \$736, \$752, \$773	\$162	25%	\$736	\$75	10%
Nevada*	Clark County	5	\$585	\$758	\$628, \$671, \$714	\$173	30%	\$752	\$5	1%
New Hampshire*	Statewide	3	\$747	\$822	\$784	\$75	10%	\$758	\$64	8%
New Jersey*	Statewide	2	\$670	\$703	N/A	\$33	5%	N/A	N/A	N/A
New Mexico*	Statewide	5	\$567	\$817	\$655, \$667, \$747	\$250	44%	\$645	\$172	27%
New York*	New York City	2	\$866	\$996	N/A	\$130	15%	\$866	\$130	15%
North Carolina*	Mecklenburg County	4	\$446	\$791	\$726, \$751	\$345	77%	\$750	\$41	5%
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	\$599	\$842	\$655, \$659, \$736, \$754, \$804	\$242	40%	\$954	-\$112	-12%
Oklahoma*	Enhanced Area Counties	4	\$314	\$624	\$418, \$580	\$310	99%	\$650	-\$26	-4%
Oregon*	Group Area A (Portland)	4	\$1,030	\$1,120	\$1,084, \$1,102	\$90	9%	\$1,254	-\$134	-11%
Pennsylvania*	Philadelphia	4	\$729	\$952	\$762, \$876	\$223	31%	\$974	-\$23	-2%
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	3	\$498	\$585	\$541	\$87	17%	\$541	\$44	8%
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	\$433	\$520	\$455, \$498	\$87	20%	\$585	-\$65	-11%
Texas*	Gulf Coast Area	4	\$558	\$609	\$586, \$597	\$52	9%	\$724	-\$115	-16%
Utah	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vermont*	Statewide	6	\$525	\$735	\$551, \$578, \$630, \$683	\$210	40%	\$779	-\$44	-6%
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	\$1,177	\$1,413	\$1,295, \$1,354	\$235	20%	\$1,290	\$122	9%
West Virginia	Statewide	3	\$541	\$628	\$585	\$87	16%	\$541	\$87	16%
Wisconsin*	Milwaukee County	4	\$785	\$1,033	\$826, \$909	\$248	32%	\$1,087	-\$54	-5%
Wyoming	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* See table notes on page 27.

TABLE 5: Comparison of Payment Rates for Center Care for a One-Year-Old and for a Four-Year-Old in 2018

State	City/county/ region	Monthly payment rate for center care for a one-year-old	Monthly payment rate for center care for a four-year-old	Difference in rates for care for a one-year-old and a four-year-old	Percentage difference in rates for care for a one-year-old and a four-year- old
Alabama*	Birmingham Region	\$511	\$468	\$43	9%
Alaska*	Anchorage	\$900	\$700	\$200	29%
Arizona	Maricopa County (Phoenix)	\$576	\$515	\$61	12%
Arkansas	Urban Areas	\$618	\$511	\$107	21%
California*	Los Angeles County	\$1,594	\$1,124	\$470	42%
Colorado*	Denver County	\$1,088	\$693	\$395	57%
Connecticut	North Central	\$870	\$693	\$178	26%
Delaware	New Castle County	\$622	\$574	\$48	8%
District of Columbia*	Citywide	\$1,409	\$909	\$499	55%
Florida*	Miami-Dade County	\$533	\$482	\$52	11%
Georgia*	Zone 1	\$559	\$494	\$65	13%
Hawaii*	Statewide	\$1,490	\$740	\$750	101%
Idaho*	Cluster 2 (Boise)	\$684	\$623	\$61	10%
Illinois*	Metropolitan Region	\$1,007	\$708	\$298	42%
Indiana	Marion County (Indianapolis)	\$1,178	\$992	\$186	19%
Iowa*	Statewide	\$738	\$595	\$143	24%
Kansas*	Sedgwick County	\$694	\$526	\$168	32%
Kentucky*	Central Region	\$553	\$487	\$66	14%
Louisiana	Statewide	\$487	\$465	\$22	5%
Maine*	Cumberland County	\$1,057	\$909	\$147	16%
Maryland*	Region W	\$883	\$559	\$325	58%
Massachusetts*	Northeast (Region 3)	\$1,407	\$913	\$494	54%
Michigan*	Statewide	\$926	\$682	\$244	36%
Minnesota	Hennepin County	\$1,160	\$870	\$290	33%
Mississippi*	Statewide	\$375	\$339	\$36	11%
Missouri	St. Louis County	\$695	\$406	\$289	71%
Montana*	Billings/Yellowstone	\$796	\$695	\$101	15%
Nebraska*	Urban Counties	\$927	\$801	\$126	16%
Nevada*	Clark County	\$693	\$606	\$87	14%
New Hampshire*	Statewide	\$963	\$801	\$162	20%
New Jersey*	Statewide	\$716	\$579	\$137	24%
New Mexico*	Statewide	\$1,271	\$841	\$430	51%
New York	New York City	\$1,606	\$1,048	\$559	53%
North Carolina*	Mecklenburg County	\$1,194	\$776	\$418	54%
North Dakota*	Statewide	\$724	\$600	\$124	21%
Ohio	Cuyahoga County (Cleveland)	\$713	\$570	\$143	25%
Oklahoma*	Enhanced Area Counties	\$624	\$461	\$163	35%
Oregon*	Group Area A (Portland)	\$1,255	\$965	\$290	30%
Pennsylvania*	Philadelphia	\$902	\$707	\$195	28%
Rhode Island*	Statewide	\$838	\$700	\$138	20%
South Carolina*	Urban Areas	\$688	\$628	\$61	10%
South Dakota*	Minnehaha County	\$770	\$692	\$78	11%
Tennessee*	Top Tier Counties	\$684	\$515	\$169	33%
Texas*	Gulf Coast Area	\$713	\$507	\$205	40%
Utah*	Statewide	\$758	\$568	\$190	33%
Vermont*	Statewide	\$912	\$809	\$102	13%
Virginia*	Fairfax County	\$1,364	\$1,147	\$217	19%
Washington*	King County	\$995	\$835	\$160	19%
West Virginia	Statewide	\$693	\$606	\$87	14%
Wisconsin*	Milwaukee County	\$1,070	\$830	\$239	29%
Wyoming	Statewide	\$573	\$521	\$52	10%

* See table notes on page 27.

TABLE 6: Comparison of Payment Rates for Center Care and Family Child Care for a One-Year-Old in 2018

State	City/county/ region	Base monthly payment rate for center care for a one-year-old	Base monthly payment rate for family child care for a one-year-old	Difference in rates for center care and family child care for a one-year-old	Percentage difference in rates for center care and family child care for a one-year-old
Alabama*	Birmingham Region	\$511	\$407	\$104	26%
Alaska*	Anchorage	\$900	\$700	\$200	29%
Arizona	Maricopa County (Phoenix)	\$576	\$433	\$143	33%
Arkansas	Urban Areas	\$618	\$618	\$0	0%
California*	Los Angeles County	\$1,594	\$927	\$667	72%
Colorado*	Denver County	\$1,066	\$639	\$428	67%
Connecticut	North Central	\$870	\$914	-\$43	-5%
Delaware	New Castle County	\$622	\$476	\$145	30%
District of Columbia*	Citywide	\$1,054	\$780	\$274	35%
Florida*	Miami-Dade County	\$533	\$494	\$39	8%
Georgia*	Zone 1	\$559	\$433	\$126	29%
Hawaii*	Statewide	\$1,490	\$650	\$840	129%
Idaho*	Cluster 2 (Boise)	\$684	\$588	\$96	16%
Illinois*	Metropolitan Region	\$1,007	\$764	\$242	32%
Indiana	Marion County (Indianapolis)	\$905	\$541	\$364	67%
Iowa*	Statewide	\$738	\$571	\$167	29%
Kansas*	Sedgwick County	\$694	\$468	\$226	48%
Kentucky*	Central Region	\$541	\$476	\$65	14%
Louisiana	Statewide	\$487	\$346	\$141	41%
Maine*	Cumberland County	\$1,057	\$953	\$104	11%
Maryland*	Region W	\$883	\$693	\$191	28%
Massachusetts*	Northeast (Region 3)	\$1,407	\$918	\$489	53%
Michigan*	Statewide	\$779	\$614	\$166	27%
Minnesota	Hennepin County	\$1,160	\$676	\$484	72%
Mississippi*	Statewide	\$339	\$245	\$94	38%
Missouri	St. Louis County	\$695	\$435	\$261	60%
Montana*	Billings/Yellowstone	\$758	\$620	\$138	22%
Nebraska*	Urban Counties	\$927	\$650	\$277	43%
Nevada*	Clark County	\$606	\$585	\$22	4%
New Hampshire*	Statewide	\$963	\$747	\$217	29%
New Jersey*	Statewide	\$716	\$670	\$46	7%
New Mexico	Statewide	\$721	\$567	\$154	27%
New York	New York City	\$1,606	\$866	\$740	86%
North Carolina*	Mecklenburg County	\$536	\$446	\$90	20%
North Dakota*	Statewide	\$724	\$520	\$204	39%
Ohio	Cuyahoga County (Cleveland)	\$713	\$599	\$113	19%
Oklahoma*	Enhanced Area Counties	\$336	\$314	\$22	7%
Oregon*	Group Area A (Portland)	\$1,255	\$1,030	\$225	22%
Pennsylvania*	Philadelphia	\$902	\$729	\$173	24%
Rhode Island*	Statewide	\$838	\$736	\$103	14%
South Carolina	Urban Areas	\$628	\$498	\$130	26%
South Dakota*	Minnehaha County	\$770	\$555	\$215	39%
Tennessee*	Top Tier Counties	\$572	\$433	\$139	32%
Texas*	Gulf Coast Area	\$713	\$558	\$155	28%
Utah*	Statewide	\$758	\$575	\$183	32%
Vermont*	Statewide	\$651	\$525	\$126	24%
Virginia*	Fairfax County	\$1,364	\$953	\$411	43%
Washington*	King County	\$957	\$1,177	-\$220	-19%
West Virginia	Statewide	\$693	\$541	\$152	28%
Wisconsin*	Milwaukee County	\$1,016	\$785	\$231	29%
Wyoming	Statewide	\$573	\$530	\$42	8%

* See table notes on page 27.

Table Notes

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.

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 and differences between categories of payment rates were calculated using raw data, rather than the rounded numbers shown in the tables.

For states that pay higher rates for higher-quality care, the most common rate level (the level representing the greatest number of providers) for each state is used for the data analysis in Tables 1 and 5, and the base rate is used for the data analysis in Table 6, 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 nontraditional hours.

Data in the tables reflect policies as of February 2018. Certain changes in policies since February 2018 are noted below.

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

Alaska: The payment rates in the tables 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: 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.

California: The payment rates in the tables 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.

Colorado: Counties determine their payment rates and when to change them. 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).

District of Columbia: The payment rates in the tables reflect that the District increased rates by 4 percent for center care for infants and toddlers and by 10 percent for family child care for infants and toddlers as of October 2017. 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. 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 1, 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 Tables 2 and 4, 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 increased 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 the tables reflect that the state increased rates for licensed center care in 2017. 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.

Idaho: Cluster 2 includes Ada, Blaine, Boise, Bonner, Bonneville, Latah, Lewis, Teton, and Valley Counties. Also note that the state increased payment rates to the 65th percentile of 2018 market rates as of February 2019.

Illinois: The Metropolitan Region (referred to as Group 1A) includes Cook, DeKalb, DuPage, Kane, Kendall, Lake, and McHenry Counties. Also note that the state increased payment rates for child care centers by 4.26 percent as of July 2018.

Indiana: 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 1, the payment rate for the most common rate level is compared to the 75th percentile for that same quality level, and in Tables 2 and 4, the payment rate for the highest quality level is compared to the 75th percentile for that quality level.

Iowa: 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. Also note that the state increased base payment rates to at least the 45th percentile of 2017 market rates, increased rates for providers at level five of the state's quality rating and improvement system to the 75th percentile of 2017 market rates, and introduced two new tiered rate levels for providers at quality levels one through four, as of January 2019.

Kansas: The state increased payment rates from the 40th percentile of 2014 market rates (for each county group) to the 65th percentile of 2017 market rates as of November 2018.

Kentucky: Under the policy in effect in February 2018, the amount of the bonus above the base payment rate at each star level of the state's quality rating and improvement system varied depending on the percentage of children served by the provider who were receiving child care assistance. For center care for a one-year-old, the bonus ranged from \$8 to \$12 per month for two-star providers, \$12 to \$16 per month for three-star providers, and \$15 to \$19 per month for four-star providers. For center care for a four-year-old, the bonus ranged from \$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. For family child care, the bonus was a flat amount, regardless of the percentage of children receiving child care assistance; for family child care for a one-year-old, the bonus was \$10 per month for two-star providers, \$14 per month for three-star providers, and \$17 per month for four-star providers. (All providers that serve children receiving child care assistance must participate in the state's quality rating and improvement system. One-star providers do not receive a bonus above the base rate.) For all levels, a licensed or certified provider may receive, to the extent funds are available, \$2 per day beyond the maximum rate if the provider is accredited. The highest payment rates shown in Tables 2, 3, and 4 assume 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 one-year-olds, the amount of the bonus above the base rate is \$25 per month for three-star licensed centers, \$35 per month for four-star licensed centers, and \$45 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. As of December 2018, the state increased base payment rates to at least the 40th percentile of 2017 market rates.

Louisiana: Bonuses for higher-quality care, although shown in Tables 2, 3, and 4 as incorporated into the monthly payment rate, are paid quarterly. The payment rates in the tables 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 payment rates in the tables reflect that the state increased base rates for licensed family child care to the 75th percentile of 2015 market rates as of June 2017. Base payment rates for center care for school-age children were also at the 75th percentile of 2015 market rates, and base payment rates for center care for infants, toddlers, and preschoolers were at the 50th percentile of 2015 market rates, in February 2018. The state increased 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.

Maryland: The payment rates in the tables reflect that the state increased rates by 2 percent as of July 2017. The state increased base 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: The payment rates in the tables reflect that the state increased base 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 payment rates for centers by 4.58 percent as of October 2018 (retroactive to July 2018) and increased payment rates for family child care by 3.94 percent as of July 2018. Also note that the state pays tiered rates 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 the tables reflect that the state increased base rates and tiered 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.

Mississippi: 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.

Montana: The state increased base payment rates to the 75th percentile of 2016 market rates as of October 2018.

Nebraska: Urban Counties include Dakota, Douglas, Lancaster, and Sarpy Counties. The payment rates in the tables 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 increased base payment rates (which are paid to providers at the one-star level of the state's quality rating and improvement system) from the 75th percentile of 2004 market rates to the 55th percentile of 2015 market rates as of March 2019. The state also increased tiered payment rates to the 60th percentile for two-star providers, the 65th percentile for three-star providers, and the 70th percentile for four-star providers as of February 2019. Payment rates for five-star providers remained at the 75th percentile of market rates.

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

New Jersey: The payment rates in the tables 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 implemented further increases in base payment rates for centers as of January 2019; payment rates increased by 25 percent for center care for infants, by 6 percent for center care for toddlers, and by 10 percent for center care for preschoolers. The state, which previously only had a tiered rate for accredited care, 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 state increased these tiered rates in January 2019.

New Mexico: The state's market rate survey differentiates between quality levels and the 75th percentile of market rates was obtained for providers at each quality level of the state's quality rating and improvement system. In Table 1, the payment rate for the most common rate level is compared to the 75th percentile for that same quality level; in Table 2, the payment rate for centers at the highest quality level is compared to the 75th percentile for that quality level; in Table 4, the payment rate for family child care at the highest quality level is compared to the 75th percentile of market rates at the base level, because the market rate survey collected data from only a very limited number of family child care providers at higher quality levels.

New York: Local social services districts may set payment rates for accredited providers that are up to 15 percent higher than base rates; New York City has taken this option.

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 1, the payment rate for the most common rate level is compared to the 75th percentile for that same quality level; in Tables 2 and 4, the payment rate at 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. Also note that the payment rates in the tables reflect that the state increased rates for three-, four-, and five-star licensed care for children birth through age two in tier three counties 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 the tables reflect that the state increased payment 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.

Oklahoma: 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 1, the payment rate for the most common rate level is compared to the 75th percentile for that same quality level, and in Tables 2 and 4, 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 each quality level in 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. Prior to August 2018, Enhanced Area payment 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.

Oregon: Group Area A includes the Ashland, Bend, Corvallis, Eugene, Monmouth, and Portland areas. Also note that the tables reflect that the state increased base payment rates for licensed family child care providers to the 75th percentile of 2016 market rates (for most age groups and regions) as of January 2018. The state increased payment rates for both centers and family child care providers as of January 2019.

Pennsylvania: 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 payment rates in the tables reflect that the state increased rates for three- and four-star providers 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). The state increased base payment rates by 2.5 percent as of August 2018.

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

South Dakota: The state increased payment rates from the 75th percentile of 2015 market 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. The state increased base payment rates by 35 percent for care for infants and toddlers and by 20 percent for care for preschoolers and school-age children as of April 2019.

Texas: Local workforce development boards set their payment rates within state parameters. In September 2015, the state began requiring local 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.

Utah: The state increased payment rates from the 70th percentile of 2015 market rates to the 60th percentile of 2017 market rates as of October 2018.

Vermont: The state increased base payment 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 the tables reflect that the state increased rates for centers by 6 percent as of September 2017, and increased rates for licensed 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. The state increased payment rates as of February 2019.

Wisconsin: 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 increased payment rates for all age groups statewide as of January 2019. The state also increased tiered payment rates for four-star providers from 10 percent to 11 percent above the payment rate for three-star providers, and increased tiered rates for five-star providers from 25 percent to 27 percent above the payment rate for three-star providers, as of January 2019.



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