



CHILD CARE & EARLY LEARNING

## STATES USE NEW CHILD CARE AND DEVELOPMENT BLOCK GRANT FUNDS TO HELP CHILDREN AND FAMILIES

**Congress approved a \$2.37 billion increase in funding for the Child Care and Development Block Grant (CCDBG), the major federal child care program, in March 2018.** This was a historic increase for CCDBG, a program that provides funds to states to assist low-income families in affording child care, to help ensure the health and safety of child care, and to invest in improving the quality of care. States have until September 30, 2019 to obligate their FY 2018 CCDBG funds, and until September 30, 2020 to spend the funds. Many states—which set their child care policies and decide how to expend CCDBG funds within federal parameters—have already determined how they will use, or have already used, the new funds to help more families access high-quality child care.

- § Over half of the states are using or will use the additional federal child care funds to **raise payment rates** for child care providers serving families receiving child care assistance, and several additional states are considering using the funds for this purpose.<sup>1</sup> Raising payment rates encourages more providers to serve these families and gives providers more of the resources they need to support high-quality care and adequate salaries for child care teachers and staff.
- § Eight states are using or will use the additional funds to **serve families on the waiting list for child care assistance**, enabling these families to get help affording the stable, nurturing child care that children need for their healthy development and that parents need to work or participate in education or training.
- § Many states are using the additional funds to **implement provisions of the Child Care and Development Block Grant Act of 2014**, which reauthorized the CCDBG program and established a number of new requirements aimed at ensuring the health and safety of children in child care, improving the quality of care, and making it easier for families to obtain and retain child care assistance.

The new federal funds are essential to address existing gaps in the child care assistance program. Only one in six children eligible for federal child care assistance receives it.<sup>2</sup> And only one state set its provider payment rates at the federally recommended level (the 75th percentile of current market rates, the rate designed to give families access to 75 percent of the providers in their community) as of February 2018.<sup>3</sup> While the recent funding increase is helping states make progress in improving families' access to assistance and provider payment rates, further federal and state investments will be necessary to fully address these and other gaps.

- **ALABAMA** used a portion of the new federal child care funds to increase base payment rates for child care providers serving families receiving child care assistance to the 70th percentile of 2017 market rates as of October 2018. For example, the monthly payment rate for center care for a four-year-old in Birmingham increased from \$468 to \$580. The state also used a portion of the funds to increase providers' access to training. Additionally, the state will implement a quality rating and improvement system and tiered payment rates for higher-quality family child care providers, increase existing tiered payment rates for child care centers, and increase its incentive bonus for programs participating in the quality rating and improvement system.



- **ALASKA** has not yet fully determined how the additional federal child care funding will be used, but a portion of the funding is expected to be used to update provider payment rates.
- **ARIZONA**'s Department of Economic Security has proposed to use \$27.6 million of the new CCDBG funds to increase provider payment rates from the 75th percentile of 2000 market rates to the 50th percentile of 2010 market rates; \$27.1 million to provide child care assistance to 5,000 additional children; and \$2 million to ensure compliance with state legislation that requires one-third of its CCDBG quality set-aside funds to be used for tiered payment rates for higher-quality care. However, the legislature has not yet provided the Department with the authority to expend the funds.
- **ARKANSAS** is funding 3,800 new child care assistance slots. This has allowed the state, which had 2,244 children on its waiting list as of February 2018, to serve all eligible children who had been on the waiting list and to stop placing additional children on a waiting list as of August 2018. The state is also considering provider payment rate increases and steps to support more children in higher-quality care.
- **CALIFORNIA** will support 11,307 new vouchers to help families pay for child care, at a cost of approximately \$102 million a year (or \$205 million over two years). The state will also use the funds to begin implementation for annual inspections of licensed child care programs, at an initial cost of \$26.4 million.
- **COLORADO** will use its new federal child care funds, together with state funds, to support changes consistent with the CCDBG reauthorization law that increase children's continuity of care during temporary and non-temporary disruptions in parents' eligible activities, that enable families to maintain their child care assistance when they move across county lines, and that allow families to retain their child care assistance until their income reaches 85 percent of state median income. The state, which had allowed counties to set their own income eligibility limits, also set the statewide income limit to initially qualify for assistance at 185 percent of the federal poverty level. (Counties that choose to continue or adopt income limits above this level may use their own local funds to provide child care assistance to families that qualify with higher incomes and pending regulations would allow for higher income eligibility floors in counties with higher costs to achieve self-sufficiency). In addition, the state now requires counties to adopt state-set tiered provider payment rates for higher-quality care. The state is considering additional changes to eligibility, payment rates, and other policies, and would use the balance of the remaining federal funds to implement these changes once adopted.
- **CONNECTICUT** will use the bulk of its \$14.3 million in additional CCDBG funds to address care for infants and toddlers and to increase provider payment rates. The state will also use the funds to fully implement the provisions of the CCDBG reauthorization law.
- **DELAWARE** will use the additional federal child care funds to implement the provisions of the CCDBG reauthorization law, including provisions related to graduated phase-out of child care assistance for families, allowing families a 12-month eligibility period prior to having to recertify, transitional child care, criminal background checks of providers, the consumer education website, reducing children's expulsion from child care, requirements for license-exempt providers that serve children receiving child care assistance, provider health and safety trainings, and required disaster planning by providers.
- **THE DISTRICT OF COLUMBIA** will use the additional federal child care funding to support the early childhood workforce, child care assistance for families, and the child care agency's data system modernization project.
- **FLORIDA** is using the additional federal child care funds to implement performance funding (similar to a tiered payment system) for child care and early education programs statewide, increase provider payment rates, and serve additional children who had been on the waiting list for child care assistance. The state will also use \$6 million of its CCDBG funds for a baseline assessment to implement the performance system; extend non-recurring funding for T.E.A.C.H. (which provides scholarships for child care workers to attend school and earn a degree or credentials in early education and then provides bonuses to those who complete their educational program), HIPPY (Home Instruction for Parents of Preschool Youngsters), and Help Me Grow (a statewide system that helps to identify developmental and/or behavioral concerns in a child's first eight years of life and link children and their families to services and supports); and comply with the requirements of the CCDBG reauthorization law.



- GEORGIA** increased its tiered payment rates for providers with ratings of one star or higher in the state's quality rating and improvement system (which has three levels) as of October 2018. Tiered rates were increased from 5 percent to 10 percent above the base rate for one-star providers, from 10 percent to 20 percent above the base rate for two-star providers, and from 25 percent to 40 percent above the base rate for three-star providers. (For example, the monthly payment rate for care for a four-year-old in Zone 1, which includes the state's larger urban counties, increased from \$519 to \$543 for a one-star center, from \$543 to \$593 for a two-star center, and from \$618 to \$692 for a three-star center, compared to the base rate of \$494.) In addition, the state 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 plans to expand the number of Quality Rated Subsidy Grant slots by 500. The state also plans to increase its base payment rates for care for infants and toddlers to the 25th percentile of 2016 market rates as of January 2019. (For example, the monthly payment rate for center care for a one-year-old in Zone 1 will increase from \$559 to \$624.) The state reduced copayments for families as well, ensuring that no family pays more than 7 percent of its income in copayments—as recommended in the federal CCDBG regulations—as of September 2018. The state will also fund supports to help teachers address children's social-emotional needs, expand professional development opportunities, and cover the costs of the initial national fingerprint scans for eligible providers.
- HAWAII** will use the additional federal child care funding to invest in training and professional development opportunities for the child care workforce; licensing and monitoring of regulated and license-exempt providers serving families receiving child care assistance; background checks for child care providers and their household members; child care assistance for families with the lowest incomes; adjusting the state's income limit for the updated state median income; a website for provider searches; quality initiatives; a child care resource and referral system; and avoiding a waiting list for child care assistance for eligible families.
- IDAHO** plans to increase its payment rates from the 65th percentile of 2015 market rates to the 65th percentile of 2018 market rates as of January 2019. For example, the monthly payment rate for center care for a four-year-old in Boise will increase from \$623 to \$683. The state will also use the additional federal child care funds to adjust its income limit for the updated federal poverty level. In addition, the state is implementing the provisions of the CCDBG reauthorization law related to the graduated phase-out of assistance for families whose incomes increase above eligibility limit and ongoing provider background checks.
- ILLINOIS** increased its base payment rates for center care by 4.26 percent as of July 2018. For example, the monthly payment rate for center care for a four-year-old in Group 1A Counties (which include Cook County) increased from \$708 to \$738. The state will also use the new federal child care funds to implement provisions of the CCDBG reauthorization law designed to ensure that families can receive child care assistance for 12 months before having to recertify their eligibility.
- INDIANA** has not fully determined how it will use the additional federal child care funding, but a large portion of the funds will be used to provide child care assistance to children on the waiting list.
- IOWA** planned to increase its base payment rates from approximately 8.2 percent above the 75th percentile of 2004 market rates to between the 45th and 65th percentile of 2014 market rates as of January 2019. (For example, the monthly payment rate for center care for a four-year-old statewide was expected to increase from \$595 to \$649.) The state also planned to increase its tiered payment rates for providers at level five of the state's quality rating and improvement system (which has five levels) from the 75th percentile of 2014 market rates to the 75th percentile of 2017 market rates, and to introduce two new tiered rate levels for providers at quality levels one through four (which previously received the base rate), as of January 2019. (For example, the monthly payment rate for care for a four-year-old statewide was expected to be set at \$682 for a center at level one or two and \$722 for a center at level three or four, and increase from \$770 to \$822 for a center at level five.) In addition, the new federal child care funds will be used to cover existing funding shortfalls that occurred due to changes the state made starting in 2016 to implement the requirements of the CCDBG reauthorization law, including allowing families a 12-month eligibility period for child care assistance before having to recertify, allowing families to remain eligible up to a higher exit eligibility limit than the initial income limit to qualify for assistance, and allowing families to remain eligible for assistance through a temporary loss of employment.



- **KANSAS** is using the additional federal child care funds to fully implement the requirements under the CCDBG reauthorization law and regulations; policy changes were expected to be finalized and implemented by October 1, 2018. In addition, the state 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 1, 2018.
- **KENTUCKY** will increase provider payment rates to at least the 40th percentile of market rates. In addition, the state will increase the exit eligibility limit for families already receiving child care assistance from 165 percent of poverty to 200 percent of poverty. As of June 28, 2019, the state will allow students who are enrolled full time in post-secondary school or job training to be eligible for child care assistance without having to meet a separate work requirement. The state will allow CCDBG funds to be used for child care assistance for foster children as well.
- **LOUISIANA** is using \$28 million of the additional federal child care funds for several activities. The state will provide child care assistance to approximately 4,500 children who have been on the waiting list. The funds were also used to reimburse child care providers for criminal background check fees prior to September 30, 2018, and to implement reimbursements to child care providers for child care assistance program registration fees on October 2018. In addition, funds were used to support additional Child Development Associate scholarships that were set aside for quality improvement and to purchase a high-quality child care curriculum and deliver it to child care providers.
- **MAINE** increased its base payment rates for center care and family child care for all age groups to the 75th percentile of 2018 market rates as of June 2018. Previously, payment rates for center care for school-age children and family child care for all age groups were at the 75th percentile of 2015 market rates, and payment rates for center care for infants, toddlers, and preschoolers were at the 50th percentile of 2015 market rates. For example, the monthly payment rate for center care for a four-year-old in Cumberland County increased from \$909 to \$1,121.
- **MARYLAND** increased its income limit to qualify for assistance from 50 percent of the 2001 state median income (\$29,990 a year for a family of three) to 65 percent of the 2018 state median income (\$60,081 a year for a family of three) as of July 2018. In addition, the state is using \$22 million of the new federal child care funds to increase provider payment rates. The state enacted legislation requiring rates to be set at least at the 60th percentile of market rates by FY 2022 and each year after. As a first step, the state increased its base payment rates to at least the 20th percentile of 2017 market rates as of May 2018. For example, the monthly payment rate for center care for a four-year-old in Region W (which includes Anne Arundel, Calvert, Carroll, Charles, and Prince George's Counties) increased from \$559 to \$628.
- **MASSACHUSETTS** has not yet determined how it will use the additional federal child care funding.
- **MICHIGAN** will use \$15 million of the new federal child care funds to switch from paying subsidized providers on an hourly basis to a biweekly basis, beginning in March 2019. The state will also use \$2.5 million for T.E.A.C.H. Scholarships for providers pursuing additional educational credentials. The remaining funds will be used for caseload increases in FY 2018 and FY 2019.
- **MINNESOTA** has not yet determined how it will use the additional federal child care funds. It is likely that a portion of the funds will be used to help cover the costs of updating provider payment rates and/or complying with requirements of the CCDBG reauthorization law that the state has not yet implemented.
- **MISSISSIPPI** used the new federal child care funds to provide child care assistance to 7,000 more children; as a result, the state—which had 16,103 families on the waiting list as of February 2018—was serving all eligible families who had been on the waiting list and was no longer placing additional families on a waiting list as of October 2018. The state also increased its base payment rates to the 75th percentile of 2016 market rates as of June 2018. For example, the monthly payment rate for center care for a four-year-old statewide increased from \$312 to \$440. The state increased its tiered payment rates for centers as of June 2018 as well. 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 care for a four-year-old in a comprehensive center statewide increased from \$339 to \$550.
- **MISSOURI** has not yet determined how it will use the additional federal child care funding.
- **MONTANA** increased its provider payment rates to the 75th percentile of 2016 market rates as of September 2018. In addition, the state expanded the age range to which the higher payment rates for infants and toddlers apply, from an age range of birth to 24 months to an age range of birth through 35 months.



- **NEBRASKA** has not yet determined how it will use the additional federal child care funding.
- **NEVADA** has identified some of its intended uses for the additional federal child care funding. Many of these uses relate to implementing the requirements of the CCDBG reauthorization law, including establishment of group size and staff-child ratios for out-of-school-time (license-exempt) providers, defining the orientation period during which comprehensive background checks of providers may be completed, and ensuring that license-exempt providers (family, friend, and neighbor providers) complete the mandatory training requirements, as well as expanding eligibility for child care assistance to targeted child protective services and foster families in specific circumstances. Additionally, the state planned to increase payment rates effective January 2019. Payment rates were expected to be raised to the 55th percentile of 2015 market rates for providers with a one-star rating in the state's quality rating and improvement system, the 60th percentile for two-star providers, the 65th percentile for three-star providers, and the 70th percentile for four-star providers; previously, payment rates for one-star providers were set at the 75th percentile of 2004 market rates, and payment rates for two-, three-, and four-star providers fell between that level and the 75th percentile of 2015 market rates. (Payment rates for five-star providers will remain at the 75th percentile of market rates.)
- **NEW HAMPSHIRE** will use the additional federal child care funding to implement the requirements of the CCDBG reauthorization law, including allowing families to remain eligible for child care assistance for 12 months before having to recertify, paying providers while children are absent from care as long as they attend 85 percent of their scheduled time, and covering the annual registration fee that providers charge parents (up to a certain amount). In addition, the state will modify its eligibility criteria for child care assistance to allow participation in approved substance misuse treatment or mental health treatment programs to count as qualifying activities, which increases access to child care assistance for parents struggling with addiction.
- **NEW JERSEY** used approximately \$15 million to increase payment rates for child care centers. As of May 2018, the state increased its base payment rates for center care for infants, toddlers, and preschoolers. (For example, the monthly payment rate for center care for a four-year-old statewide increased from \$579 to \$585.) As of June 2018, the state established new tiered payment rates for centers that have three-, four-, and five-star ratings under the state's quality rating and improvement system (which has five levels) and that serve infants, toddlers, and preschoolers. The new tiered rates range from 4 percent to 24 percent above the base rate, depending on the age of the child and the center's quality level. (For example, the monthly payment rate for care for a four-year-old statewide was \$609 for a three-star center, \$627 for a four-star center, and \$646 for a five-star center.) The state used additional funds to implement further increases in 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, and higher-rated centers received additional increases. (For example, the monthly payment rate for care for a four-year-old statewide was increased to \$645 for a licensed center, \$703 for a three-star center, \$738 for a four-star center, and \$775 for a five-star center.) In addition, the state will make \$1.2 million available to create a new \$100-per-month incentive, on top of the base rate and any tiered payment rates, for new infant care slots available for 12 months. The state will also provide \$6.8 million in grants to fund child care centers' acquisition of classroom curricula to enhance the quality of the child care experience and physical plant improvements to support healthy and safe environments. Grants will be used to fund the state's quality rating and improvement system and support staff training as well.
- **NEW MEXICO** will use the additional federal child care funding to implement the requirement under the CCDBG reauthorization law that eligible families be allowed to continue receiving child care assistance for 12 months before having to recertify.
- **NEW YORK**, which received \$97 million in new federal CCDBG funds and provided an additional \$7 million in new state funds, will dedicate up to \$80 million to cover new federal health, safety, and quality requirements under the CCDBG reauthorization law, including services and supports for infants and toddlers. Approximately \$10 million of the new funds will be used to expand access to child care assistance. The remaining funds may be directed to increasing provider payment rates and other initiatives related to improving the quality and accessibility of care.
- **NORTH CAROLINA** used \$3.6 million to increase payment rates for providers with quality ratings of three, four, or five stars and caring for children birth through age five in the state's Tier 1 and Tier 2 counties, as of October 2018. The state also budgeted \$9.75 million to increase its tiered payment rates for three-, four-, and five-star providers caring for children ages three through five in the state's Tier 3 counties, as of October 2018. For example, the monthly payment rate for care for a four-year-old in Mecklenburg County, which is a Tier 3 county, increased from \$721 to \$881 for a



three-star center, from \$746 to \$939 for a four-star center, and from \$776 to \$1,035 for a five-star center. (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 1, the next 40 as Tier 2, and the 20 least distressed as Tier 3.) In addition, the state will use \$19.5 million in CCDBG and Temporary Assistance for Needy Families (TANF) funding to provide child care assistance to an estimated 3,700 children on the waiting list. The state allocated \$5 million to support infant and toddler care as well.

- **NORTH DAKOTA** has not yet determined how it will use the additional federal child care funding.
- **OHIO** will use a portion of its additional federal child care funds to align provider payment rates with those defined in the 2016 market rate survey in the 38 of the state's 88 counties where rates were previously not aligned. The state has not determined specifically how it will use its remaining funds, but it plans to invest in early childhood programs for the state's most at-risk children.
- **OKLAHOMA** increased its tiered payment rates for providers that are at the two- and three-star levels of the state's quality rating and improvement system and are caring for children birth through age three to the 65th percentile of 2017 market rates as of August 2018. The state also increased payment rates for two- and three-star providers caring for children ages four and older and for all one-star-plus providers by at least 7 percent as of August 2018. (For example, the monthly payment rate for care for a four-year old in Enhanced Areas increased from \$375 to \$401 for one-star-plus centers, from \$461 to \$494 for two-star centers, and from \$509 to \$546 for three-star centers, compared to the base rate—which is paid to one-star centers—of \$292.) The state is evaluating adding four- and five-star levels to its quality rating and improvement system, if funding allows. In addition, the state plans to revise its sliding fee scale and income eligibility limits, expand partnership agreements with Early Head Start, and increase quality initiatives with a focus on infants and toddlers. These quality initiatives include stipends for specialized training for providers, increased payment for scholarships, and support for a regional infant and toddler specialist.
- **OREGON's** Early Learning Division (ELD) and Department of Health and Human Services (DHS) will share jurisdiction of the \$25 million in additional federal child care funding that the state received, with ELD controlling about \$15 million and DHS controlling about \$10 million. ELD has proposed using its share of the funds to invest in licensure specialists (as there is currently only one specialist for every 138 child care providers) and pilot Baby Promise, a program to increase access to high-quality, affordable child care through contracts with child care providers, networks of support for child care providers, and salary guidelines and standards of quality. DHS will use the funds to increase provider payment rates as of January 2019 so that they are set at a level closer to the 75th percentile of market rates. In addition, the state plans to use a portion of the additional funds to increase the number of families receiving child care assistance.
- **PENNSYLVANIA's** Office of Child Development and Early Learning proposes to spend \$50 million of the \$66.5 million in additional federal child care funding it was allocated on the following initiatives:
  - \$19 million to lift the freeze on payment rates for one- and two-star providers (after having previously lifted the freeze for three- and four-star providers).
  - \$20 million to provide an estimated 2 percent increase in base rates for providers at all quality levels.
  - \$5 million to support high-quality professional development for providers.
  - \$2 million to pilot contracting for slots for infants and toddlers receiving child care assistance.
  - \$4 million to comply with the CCDBG reauthorization law's requirements for provider background checks.

In addition, the state approved \$6.8 million to serve 1,100 children on the waiting list for child care assistance.

- **RHODE ISLAND** used \$3.6 million of the new federal child care funds to increase payment rates for all child care centers serving infants, toddlers, and preschoolers as of July 2018. For example, the monthly payment rate for center care for a four-year-old statewide increased from \$700 to \$718. The state also established new tiered payment rates for providers as of July 2018. For example, the monthly payment rate for care for a four-year-old statewide is \$735 for a center at tier two of the state's quality rating and improvement system (which has five levels for centers), \$770 for a center at tier three, \$791 for a center at tier four, and \$847 for a center at tier five. In addition, the state is using the funds to increase payment rates for family child care and to provide paid sick time for providers.
- **SOUTH CAROLINA** has not yet determined how it will use the additional federal child care funding.



- **SOUTH DAKOTA** increased its payment rates from the 75th percentile of 2015 market rates to the 75th percentile of 2017 market rates as of June 2018. For example, the monthly payment rate for center care for a four-year-old in Minnehaha County increased from \$692 to \$701.
- **TENNESSEE** has not yet determined how it will use the additional federal child care funding.
- **TEXAS** will serve an estimated 28,000 children who were on the waiting list for child care assistance. The state also increased its base payment rates by 2 percent as of August 2018. (For example, the monthly payment rate for center care for a four-year-old in the Gulf Coast area increased from \$507 to \$517.) The state increased its tiered payment rates as of August 2018 as well. Payment rates for providers at the four-star level of Texas Rising Star (TRS), the state's quality rating and improvement system, were increased to at least the 75th percentile of 2017 market rates; payment rates for three-star providers were increased to at least 90 percent of the four-star rate; and payment rates for two-star providers were increased to at least 90 percent of the three-star rate. (For example, the monthly payment rate for care for a four-year-old in the Gulf Coast area increased from \$533 to \$582 for a two-star center, from \$543 to \$646 for a three-star center, and from \$554 to \$718 for a four-star center.)

In addition, the state will use \$40 million for initiatives to help providers enhance the quality of care, including:

- \$10 million to expand the Texas Workforce Commission's Pre-K Partnership Program, a public-private partnership with the Texas Education Agency, where four-star providers partner with Independent School Districts and charter schools to expand prekindergarten capacity and increase the number of school-ready children.
- \$6.5 million to support the expansion of the TRS Mentor and Assessors Program, designed to provide local workforce boards with child care experts who offer additional guidance and technical assistance to child care providers seeking TRS certification as well as assist current TRS providers in maintaining or increasing TRS star levels.
- \$7 million to local workforce boards to further expand targeted quality initiatives, with a specific focus on infant/toddler care and professional development.
- \$5.5 million to support early learning centers in areas affected by Hurricane Harvey by providing grants for curricula or other materials and equipment up to \$10,000 for affected TRS providers.
- \$3 million for regional Child Care Business Forums, designed to support strong provider business practices, provide professional development for administrators, and increase rates of business success leading to four-star ratings.
- \$8 million for a collaborative matching grant initiative, partnering with nonprofits, stakeholders, and research organizations for projects designed to improve the availability of high-quality child care services and meet the needs of local communities and child care providers, with \$2 million earmarked to support the expansion of infant and toddler programs.
- \$3.5 million for system enhancements, including case management enhancements, geographic information system mapping, and an Early Childhood Education Data System to more easily collect local data to assist local workforce boards in their decision-making.
- **UTAH** plans to use much of its increased child care funding to support the implementation of its new quality rating and improvement system (Child Care Quality System, or CCQS), increase payment rates, and complete its implementation of the CCDBG reauthorization law requirements. As of July 1, the state fully implemented the provision of the CCDBG reauthorization law ensuring eligible families can continue receiving child care assistance for 12 months without having to recertify; the state no longer acts on reported changes during the 12-month eligibility period that would result in decreased assistance or an increased copayment. The state also increased its payment rates from the 70th percentile of 2015 market rates to the 60th percentile of 2017 market rates as of October 2018. For example, the monthly payment rate for center care for a four-year-old statewide increased from \$568 to \$585.
- **VERMONT** is using the majority of its new federal child care funds to increase payment rates for care for infants and toddlers. For example, the monthly base payment rate for center care for a one-year-old statewide increased from \$651



to \$833 as of July 2018. The state increased its tiered payment rates for higher-quality care for infants and toddlers as of July 2018 as well. 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. The state will also use a portion of the additional federal child care funding to hire three new child care licensors in the Department for Children and Families.

- **VIRGINIA** will spend the additional federal child care funds on increasing provider payment rates and measures to enhance the availability and quality of child care. The state increased its payment rates for licensed providers to the 70th percentile of 2018 market rates as of June 2018. For example, the monthly payment rate for center care for a four-year-old in Fairfax County increased from \$1,147 to \$1,516. The state also adjusted its income eligibility and copayment schedules for the updated federal poverty level as of October 2018. In addition, the state will use the new funds to implement required fingerprint checks for providers and tiered payment rates tied to a quality rating and improvement system.
- **WASHINGTON** has not yet determined how it will use the additional federal child care funding. It is likely that a portion of the funds will be used to increase provider payment rates, with larger increases for providers caring for infants and toddlers.
- **WEST VIRGINIA** has not yet determined how it will use the additional federal child care funding.
- **WISCONSIN** 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.) As of January 2019, the state increased payment rates for care for all age groups by 5 percent, with additional increases in tiered rates for four- and five-star providers. For example, the monthly payment rate for care for a one-year-old in a two-star center in Milwaukee increased from \$1,016 to \$1,113 as of October 2018, and to \$1,169 as of January 2019.
- **WYOMING** has not yet determined how it will use the additional federal child care funding.

## About this Report

This report was based on information provided and verified by state child care advocates and state child care administrators. The National Women's Law Center is very grateful to the advocates and administrators who assisted us with this report.

This report would not have been possible without the generous support of the Alliance for Early Success, Annie E. Casey Foundation, Ballmer Group, Heising-Simons Foundation, and Robert Wood Johnson Foundation.

<sup>1</sup> For the purpose of having comparable data across states in this report, monthly payment 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.

<sup>2</sup> Nina Chien, Factsheet: Estimates of Child Care Eligibility and Receipt for Fiscal Year 2013 (Washington, DC: U.S. Department of Health and Human Services, Office of Human Services Policy, Office of the Assistant Secretary for Planning and Evaluation, 2017), available at <https://aspe.hhs.gov/system/files/pdf/258491/ChildCareSubsidyEligibility.pdf>.

<sup>3</sup> Karen Schulman, Overdue for Investment: State Child Care Assistance Policies 2018 (Washington, DC: National Women's Law Center, 2018), 13, available at <http://nwlc.org/resources/overdue-for-investment-state-child-care-assistance-policies-2018/>.

