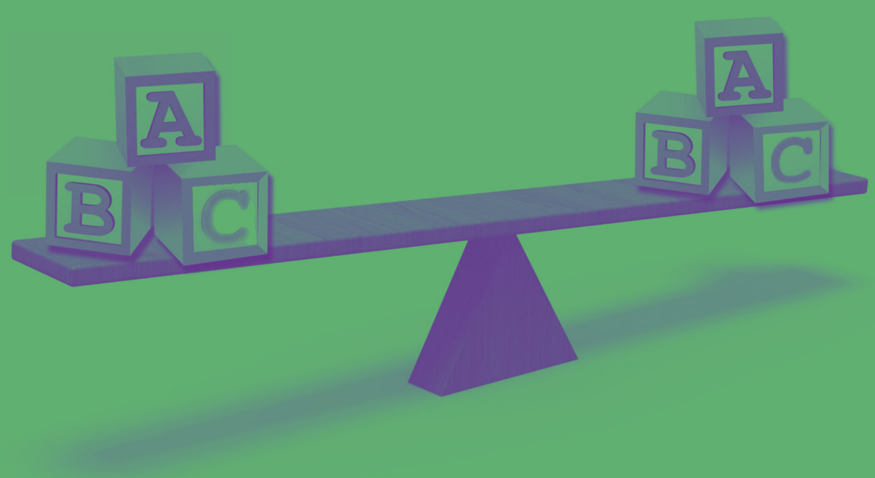
NATIONAL WOMEN'S LAW CENTER

EXPANDING THE POSSIBILITIES



pivot point state child care assistance policies 2013

ABOUT THE CENTER

The National Women's Law Center is a non-profit organization whose mission is to expand the possibilities for women and girls by working to remove barriers based on gender, open opportunities, and help women and their families lead economically secure, healthy, and fulfilled lives—especially low-income women and their families.

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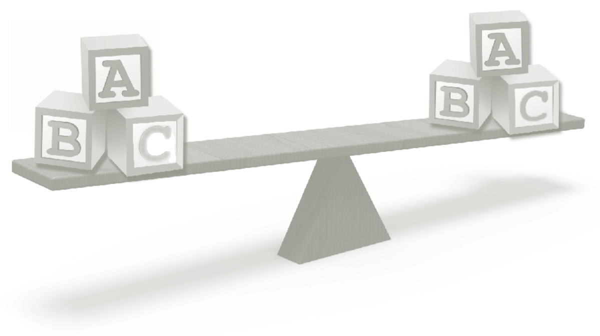

pivot point
state child care assistance policies 2013

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HELEN BLANK, DIRECTOR OF CHILD CARE AND EARLY LEARNING

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introduction

CHILD CARE HELPS CHILDREN, FAMILIES, AND COMMUNITIES PROSPER. It gives children the opportunity to learn and develop skills they need to succeed in school and in life.[1] It gives parents the support and peace of mind they need to be productive at work. And, by strengthening the current and future workforce, it helps our nation's economy. Yet many families, particularly low-income families,[2] struggle to afford child care. The average fee for full-time care ranges from approximately $3,900 to $15,000 a year, depending on where the family lives, the type of care, and the age of the child.[3] Child care assistance can help families with these high child care costs.

Despite the importance of child care assistance, families in twenty-four states were worse off—having more limited access to assistance and/or receiving more limited benefits from assistance—in February 2013 than in February 2012 under one or more child care assistance policies covered in this report. But families in twenty-seven states were better off under one or more of these policies in February 2013 than in February 2012.[4] The policies covered are critical in determining families' ability to obtain child care assistance and the extent of help that assistance offers—income eligibility limits to qualify for child care assistance, waiting lists for child care assistance, copayments required of parents receiving child care assistance, reimbursement rates for child care providers serving families receiving child care assistance, and eligibility for child care assistance for parents searching for a job.[5]

This year's trend—with the situation for families improved in slightly more states than in which it worsened—was more positive than in the previous two years, when the situation worsened for families in more states than it improved. In February 2012, families in twenty-seven states were worse off under one or more child care assistance policies covered in this report, and families in seventeen states were better off under one or more of these policies, than in February 2011.[6] In February 2011, families in thirty-seven states were worse off under one or more of these policies, and families in eleven states were better off under one or more of these policies, than in February 2010.[7]

Families in twenty-four states were worse off in February 2013 than in February 2012 under one or more child care assistance policies. But families in twenty-seven states were better off under one or more of these policies.

The negative developments between 2010 and 2012 can at least partially be attributed to the exhaustion by states of the $2 billion in additional federal funding for the Child Care and Development Block Grant (CCDBG) for FY 2009 and FY 2010 provided by the American Recovery and Reinvestment Act (ARRA)[8]—states had to obligate all of the funds by September 2010 and expend those funds by September 2011.[9] The slight increases in annual federal funding for CCDBG in FY 2011 and FY 2012 did not even cover inflation, much less the loss of ARRA funds. In FY 2013, CCDBG funding actually declined slightly, even before adjusting for inflation, due to across-the-board federal budget cuts under the Budget Control Act (BCA) of 2011,[10] commonly known as the sequester. Although the FY 2013 federal budget was not finalized and the sequester had not yet gone into effect as of February 2013, the prospect of federal budget cuts was already weighing on states. The fact that there were fewer state cutbacks and more steps forward than in previous years, despite this uncertainty over the federal budget, likely resulted from state budgets' stabilizing as the economy improved.[11]

Although there were fewer cutbacks and more improvements between 2012 and 2013 than in the previous two years, families were still worse off in 2013 than they were in 2001 in more states than they were better off under each of the four policies for which there are comparison data for 2001.[12]

Changes between February 2012 and February 2013 and between 2001 and February 2013 are described in more detail below, but in summary:

- Seven states lowered their income eligibility limits for child care assistance as a dollar amount between 2012 and 2013. Nineteen states kept their income limits the same as a dollar amount. Only two states increased their income limits by a dollar amount that exceeded inflation. The remaining states increased their income limits to adjust for one year of inflation (twenty-two states) or for multiple years of inflation (one state), as measured against the change in the state median income or federal poverty level.[13] In twenty-seven states, the income limits in 2013 were lower as a percentage of the federal poverty level than in 2001.[14]
- Nineteen states had waiting lists or frozen intake for child care assistance in 2013, lower than the twenty-three states with waiting lists or frozen intake in 2012 and the twenty-one states with waiting lists or frozen intake in 2001. Among the fifteen states that had waiting lists in both years and for which comparable data are available, the number of children on the waiting list decreased in thirteen states and increased in two states between 2012 and 2013. Among the ten states that had waiting lists in both years and for which there are comparable data, the number of children on the waiting list decreased in three states and increased in seven states between 2001 and 2013.
- In nearly one-fifth of the states, families receiving child care assistance paid a higher percentage of their income in copayments in 2013 than in 2012, and in most of the remaining states, families paid the same percentage of their income in copayments in 2013 as in 2012. In nearly half to approximately three-fifths of the states, depending on income, families paid a higher percentage of their income in copayments in 2013 than in 2001. In addition, in over one-third to nearly three-fifths of the states, depending on income, individual families were required to pay more in copayments than the nationwide average amount that families who pay for child care spend on child care.
- Only three states had reimbursement rates at the federally recommended level for providers who serve families receiving child care assistance in 2013, a slight increase from the one state with rates at the recommended level in 2012, but a substantial decrease from the twenty-two states with rates at the recommended level in 2001. Nearly two-thirds of the states had higher reimbursement rates for higher-quality providers in 2013, but in nearly three-quarters of these states, even the higher rates were below the federally recommended level.
- Forty-six states allowed families receiving child care assistance to continue receiving it while a parent searched for a job in 2013, the same number of states as in 2012. However, between 2012 and 2013, one of these states reduced the length of time families could receive child care assistance while a parent searched for a job. Fifteen states allowed families not receiving child care assistance to qualify for assistance while a parent searched for a job in 2013, a decrease from sixteen states in 2012.[15]

looking ahead: developments since february 2013

ALTHOUGH THIS REPORT PRIMARILY FOCUSES ON CHANGES BETWEEN FEBRUARY 2012 AND FEBRUARY 2013, states reported on some changes they made or expected to make after February 2013. Nine states reported they had made or expected to make improvements in one or more of the policies covered in this report after February 2013. Only one state reported it had made cutbacks in these policies since February 2013.

- One state increased its income eligibility limit for child care assistance after February 2013.[16]
  - North Dakota increased its income limit from 165 percent of the 2011 federal poverty level ($30,575 a year for a family of three) to 85 percent of the FY 2014 state median income ($58,980 a year for a family of three)—the maximum allowed under federal guidelines—as of July 2013.
- One state reduced its income eligibility limit for child care assistance after February 2013.
  - Kentucky reduced its income limit from 150 percent of the 2011 federal poverty level ($27,804 a year for a family of three) to 100 percent of the 2011 federal poverty level ($18,530 a year for a family of three)—the lowest income limit in the country—as of July 2013.[17]
- Two states reduced the number of children on the waiting list for child care assistance after February 2013.
  - New Mexico reduced the number of children on the waiting list for child care assistance from 5,467 children as of February 2013 to 3,286 children as of September 2013.
  - Pennsylvania reduced the number of children on the waiting list for child care assistance from 6,183 children as of February 2013 to 5,494 children as of August 2013.
- Five states increased their reimbursement rates[18] for providers serving families receiving child care assistance after February 2013.[19]
  - Maine increased its reimbursement rates from the 50th percentile of 2011 market rates to the 50th percentile of 2013 market rates, effective October 2013. For example, the monthly reimbursement rate for center care for a four-year-old in York County increased from $680 to $714.[20]
  - Nebraska increased its reimbursement rates from the 50th percentile of 2011 market rates to the 60th percentile of 2013 market rates as of July 2013. For example, the monthly reimbursement rate for center care for a four-year-old in urban counties increased from $671 to $730.
  - New Hampshire increased its reimbursement rates from the 50th percentile of 2009 market rates to the 50th percentile of 2011 market rates as of July 2013. For example, the monthly reimbursement rate for center care for a four-year-old statewide increased from $712 to $736.
  - Vermont increased its reimbursement rates by 3 percent, effective November 2013. For example, the monthly reimbursement rate for center care for a four-year-old statewide increased from $561 to $578.
  - Washington increased its reimbursement rates by 2 percent as of September 2013. For example, the monthly reimbursement rate for center care for a four-year-old in King County increased from $673 to $687.

- Two states implemented new tiered reimbursement rates for higher-quality care and one state raised the rates for its highest tiers after February 2013.
  - Georgia implemented new tiered reimbursement rates for higher-quality providers as of July 2013. There are four rate levels, including a base rate level that is paid to providers that do not meet the standards necessary to achieve a rating in the state's voluntary quality rating and improvement system, or do not participate in that system, and three progressively higher (star) rate levels that are paid to providers of higher-quality care as determined by that system. Rates are 2 percent above the base rate for one-star providers; 5 percent above the base rate for two-star providers; and 10 percent above the base rate for three-star providers. For example, the monthly reimbursement rate for a three-star center serving a four-year-old in Fulton County is $542, compared to the base rate of $493.
  - Pennsylvania increased the reimbursement rates for its top two quality tiers as of August 2013. There are five rate levels, including a base rate level that is paid to providers that do not meet the standards necessary to achieve a rating in the state's voluntary quality rating and improvement system, or do not participate in that system, and four progressively higher (STARS) rate levels that are paid to providers of higher-quality care as determined by that system. The rates increased from $2.65 to $2.80 per day above the base rate for STAR-three providers and from $4.10 to $5.00 per day above the base rate for STAR-four providers. For example, the monthly reimbursement rate for a four-year-old in Philadelphia increased from $764 to $767 for a STAR-three center and from $796 to $815 for a STAR-four center. The base rate, the STAR-one rate, and the STAR-two rate—which remained the same—are $707, $714, and $727, respectively.
  - Washington implemented new tiered reimbursement rates for higher-quality providers as of September 2013. There are two rate levels, including a base rate level paid both to providers that do not meet the standards necessary to achieve a rating in the state's voluntary quality rating and improvement system, or do not participate in that system, and to providers at level one of that system and one higher rate level that is paid to providers of higher-quality care at levels two through five of that system. The rates for providers at level two or higher are 2 percent above the base/level one rate. For example, the monthly reimbursement rate for a provider at level two or higher serving a four-year-old in King County is $700, compared to a base/level one rate of $687.

methodology

THE NATIONAL WOMEN'S LAW CENTER COLLECTED THE DATA IN THIS REPORT from state child care administrators in the fifty states and the District of Columbia (counted as a state in this report). The Center sent the state child care administrators a survey in the spring of 2013 requesting data on policies as of February 2013 in five key areas—income eligibility limits, waiting lists, parent copayments, reimbursement rates, and eligibility for child care assistance for parents searching for a job. The survey also asked state administrators to report on any policy changes that the state had made or expected to make after February 2013 in each of the five areas. The survey questions were largely the same as in previous years, although there were additional questions about reimbursement policies, including whether providers are paid when children receiving child care assistance are absent from care and whether child care assistance covers time outside a parent's work hours, such as travel time; the data collected from these additional questions will be analyzed in a separate report. Center staff contacted state administrators for follow-up information as necessary. The Center obtained supplementary information about states' policies from documents available on state agencies' websites.

The Center collected the 2012 data used in this report for comparison purposes through a similar process and analyzed these data in the Center's October 2012 report, *Downward Slide: State Child Care Assistance Policies 2012*. The Children's Defense Fund (CDF) collected the 2001 data used in this report and analyzed these data in CDF's report, *State Developments in Child Care, Early Education and School-Age Care 2001*. CDF staff collected the data through surveys and interviews with state child care advocates and verified the data with state child care administrators. The CDF data reflect policies in effect as of June 1, 2001, unless otherwise indicated. The Center uses 2001 as a basis for comparison because it was the year between the peak year for TANF funding for child care, FY 2000, and what was the peak year for CCDBG funding, FY 2002, until FY 2010, when ARRA provided a temporary boost in CCDBG funding (see the section below on funding for child care assistance).

The Center chose to examine the policy areas covered in this report because they are central determinants of whether low-income families can receive child care assistance and the extent of assistance they can receive. Income eligibility limits reveal how generous a state is in determining whether families qualify for child care assistance,[21] and waiting lists help reveal whether families who qualify for assistance actually receive it. Parent copayment levels reveal whether low-income parents receiving assistance have significant out-of-pocket costs for child care. Reimbursement rates reveal the extent to which families receiving assistance may be limited in their choice of child care providers and providers serving families receiving assistance may be limited in the quality of care they can offer to families. Eligibility policies for parents searching for work reveal whether parents can receive assistance while seeking employment so that they can avoid disrupting their child's child care arrangement and have child care available as soon as the parent finds a job.

The policy areas covered in this report are central determinants of whether low-income families can receive child care assistance and the extent of assistance they can receive.

funding for child care asssistance for low-income families

TOTAL FEDERAL FUNDING FOR CHILD CARE ASSISTANCE HAS DECLINED SINCE 2001. The primary source of funding for child care assistance is the federal CCDBG program. CCDBG funding was $5.123 billion in FY 2013.[22] CCDBG funding in FY 2013 was slightly lower than in FY 2012 ($5.195 billion),[23] even before adjusting FY 2012 funding for inflation ($5.291 billion in FY 2013 dollars[24]). CCDBG funding in FY 2013 was also significantly lower than in FY 2010, even before adjusting for inflation—$6.044 billion (including the additional $2 billion in CCDBG funding for states to obligate in FY 2009 and FY 2010 provided through ARRA, assuming $1 billion of ARRA funds each year for FY 2009 and FY 2010),[25] or $6.420 billion in FY 2013 dollars.[26] The FY 2010 level represented a peak for CCDBG, exceeding the previous peak for CCDBG funding after adjusting for inflation ($6.242 billion in FY 2013 dollars[27]), which occurred in FY 2002. However, the ARRA funding that contributed to the FY 2010 peak funding level was temporary.

Another important source of child care funding is the Temporary Assistance for Needy Families (TANF) block grant. States may transfer up to 30 percent of their TANF block grant funds to CCDBG, or use TANF funds directly for child care without first transferring the money. States' use of TANF dollars for child care (including both transfers and direct funding) was $2.591 billion in FY 2012 (the most recent year for which data are available),[28] below the high of $3.966 billion in FY 2000[29] even without adjusting for inflation. (In FY 2013 dollars, use of TANF funds for child care was $2.639 billion in FY 2012 compared to $5.452 billion in FY 2000.[30])

Total federal child care funding from CCDBG and TANF in FY 2013, assuming use of TANF funds was the same as the FY 2012 inflation-adjusted amount, was $7.761 billion, which was slightly below funding in FY 2012 after adjusting for inflation—$7.930 billion in 2013 dollars—and significantly below funding in FY 2001 after adjusting for inflation—$10.769 billion in FY 2013 dollars.[31]

income eligibility limits

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

Between 2012 and 2013, nearly half of the states increased their income eligibility limits as a dollar amount by an amount sufficient to keep pace with or exceed inflation, as measured against the change in the federal poverty level or state median income, depending on which benchmark the state used.[32] However, over one-third of the states did not increase their income limits, and several states reduced their income limits. Between 2001 and 2013, all but five of the states increased their income limits as a dollar amount; however, in nearly half of these states, the increase between 2001 and 2013 was not sufficient to keep pace with inflation, as measured against the change in the federal poverty level.[33] Moreover, approximately three-quarters of the states had income limits at or below 200 percent of poverty in 2013.

- Two states increased their income eligibility limits by a dollar amount that exceeded inflation between 2012 and 2013 (*see Table 1a*).[34]
- Twenty-three states increased their income eligibility limits as a dollar amount to adjust for inflation between 2012 and 2013, including twenty-two states that adjusted for one year of inflation[35] and one state that adjusted for two years of inflation to make up for the previous year in which it had not adjusted for inflation.[36]
- In nineteen states, the income eligibility limit was the same as a dollar amount in 2013 as in 2012.
- In seven states, the income eligibility limit was lower as a dollar amount in 2013 than in 2012. One of these seven states set its income limit based on the federal poverty level and reduced its income limit as a percentage of the federal poverty level.[37] One of these seven states set its income limit based on state median income and reduced its income limit as a percentage of state median income.[38] Five of these seven states set their income limits based on state median income and reduced their income limits to adjust for state median income that decreased.[39]
- Forty-six states increased their income eligibility limits as a dollar amount between 2001 and 2013 (*see Table 1b*). In eight of these states, the increase was great enough that the income limit was higher as a percentage of the federal poverty level in 2013 than in 2001. In sixteen of these states, the increase was great enough that the income limit stayed the same, or nearly the same, as a percentage of the federal poverty level in 2013 as in 2001.[40] However, in twenty-two of these states, the increase was not sufficient to keep pace with the federal poverty level, so the income limit was lower as a percentage of the federal poverty level in 2013 than in 2001.
- In five states, the income eligibility limit was lower as a dollar amount in 2013 than in 2001. In these states, the income limit decreased as a percentage of the federal poverty level, bringing to twenty-seven the total number of states in which the income limit failed to keep pace with the increase in the federal poverty level between 2001 and 2013.
- The income eligibility limit was above 100 percent of the federal poverty level ($19,530 a year for a family of three in 2013) in all states in 2013. However, a family with an income above 150 percent of poverty ($29,295 a year for a family of three in 2013) could not qualify for child care assistance in fourteen states. A family with an income above 200 percent of poverty ($39,060 a year for a family of three in 2013) could not qualify for assistance in thirty-eight states. Yet, in most communities across the country, a family needs an income equal to at least 200 percent of poverty to meet its basic needs, including housing, food, child care, transportation, health care, and other necessities, based on a study by the Economic Policy Institute.[41]

waiting lists

EVEN IF FAMILIES ARE ELIGIBLE FOR CHILD CARE ASSISTANCE, THEY MAY NOT NECESSARILY RECEIVE IT. Instead, their state may place eligible families on a waiting list or freeze intake (turn away eligible families without adding their names to a waiting list). Families on the waiting list may have to wait months before receiving child care assistance, or may never receive it. Families on the waiting list typically have few good options. According to several studies,[42] these families often struggle to pay for stable, good-quality child care as well as other necessities, or must use low-cost—and frequently low-quality—care. Some families cannot afford any child care, making it nearly impossible for parents to work.

In 2013, over three-fifths of the states were able to serve eligible families who applied for child care assistance without placing any on waiting lists or freezing intake, but nearly two-fifths of the states had waiting lists or frozen intake for at least some families applying for assistance. The number of states with waiting lists or frozen intake in 2013 was lower than the number in 2012 or 2001. In addition, more states' waiting lists decreased than increased between 2012 and 2013. However, more states' waiting lists increased than decreased between 2001 and 2013.[43]

The amount of time families spend on the waiting list for child care assistance varies greatly among states. In some states, the average wait is a few weeks or months, while in other states, the average wait is a year or more.

- Nineteen states had waiting lists or frozen intake in 2013, compared to twenty-three states in 2012, and twenty-one states in 2001 (*see Table 2*).
- Of the eighteen states that had waiting lists or frozen intake in both 2012 and 2013, thirteen states had shorter waiting lists in 2013 than in 2012, and two states had longer waiting lists. In the remaining three states with waiting lists or frozen intake in both 2012 and 2013, it was not possible to compare the length of waiting lists based on the available data.
- Of the fourteen states that had waiting lists or frozen intake in both 2001 and 2013, three states had shorter waiting lists in 2013 than in 2001, and seven states had longer waiting lists. In the remaining four states with waiting lists or frozen intake in both 2001 and 2013, it was not possible to compare the length of waiting lists based on the available data.
- Among the twelve states with waiting lists that reported data for 2013, the average length of time families spent on the waiting list before receiving child care assistance was less than six months in two states, between six months and a year in six states, and more than a year in four states. The average length of time families spent on the waiting list ranged from ninety days in one state to two to three years in another state. Among the seven states that reported data for both years, the average length of time on the waiting list was shorter in 2013 than in 2012 in one state, the same in 2013 as in 2012 in four states, and longer in 2013 than in 2012 in two states. Comparable data were not collected in 2001.

The number of states with waiting lists or frozen intake in 2013 was lower than the number in 2012 or 2001. In addition, more states' waiting lists decreased than increased between 2012 and 2013.

copayments

MOST STATES REQUIRE FAMILIES RECEIVING CHILD CARE ASSISTANCE to contribute toward their child care costs based on a sliding fee scale that is designed to charge progressively higher copayments to families at progressively higher income levels. Some states also take into account the cost of care used by a family in determining the amount of the family's copayment. Copayment levels are important because if they are too high for families to afford, child care providers may be forced to absorb the lost income or families may be discouraged from participating in the child care assistance program.

This study analyzes state copayment policies by considering two hypothetical families: a family of three with an income at 100 percent of the federal poverty level and a family of three with an income at 150 percent of the federal poverty level.[44] In nearly one-fifth of the states, families paid a higher percentage of their income in copayments in 2013 than in 2012. In three states, families paid a lower percentage of their income in copayments in 2013 than in 2012. In the remaining states, families paid the same percentage of their income in copayments in 2013 as in 2012. In nearly half to approximately three-fifths of the states, depending on income, families paid a higher percentage of their income in copayments in 2013 than in 2001.

Many states had relatively high copayments in 2013. In over one-third to nearly three-fifths of the states, depending on income, a family was required to pay more in copayments than the nationwide average amount that families who pay for child care (including those who receive child care assistance and those who do not) spent on child care—7.2 percent of income.[45]

- In eight states, copayments for a family of three at 150 percent of poverty[46] increased as a percentage of income between 2012 and 2013 (*see Table 3a*). In thirty-two states, copayments remained the same as a percentage of income. In three states, copayments decreased as a percentage of income. In eight states, a family at 150 percent of poverty was not eligible in either 2012 or 2013.[47]
- In twenty-five states, copayments for a family of three at 150 percent of poverty[48] increased as a percentage of income between 2001 and 2013. In seven states, copayments remained the same as a percentage of income. In eleven states, copayments decreased as a percentage of income. In five states, a family at 150 percent of poverty was eligible for child care assistance in 2001 but not in 2013, and in three states, a family at 150 percent of poverty was not eligible in either 2001 or 2013.
- In ten states, copayments for a family of three at 100 percent of poverty increased as a percentage of income between 2012 and 2013 (*see Table 3b*). In thirty-eight states, copayments remained the same as a percentage of income. In three states, copayments decreased as a percentage of income.
- In thirty-one states, copayments for a family of three at 100 percent of poverty increased as a percentage of income between 2001 and 2013. In eleven states, copayments remained the same as a percentage of income. In nine states, copayments decreased as a percentage of income.
- In thirty states, the copayment for a family of three at 150 percent of poverty was above $176 per month (7.2 percent of income) in 2013. In an additional eight states, a family at this income level was not eligible for child care assistance.
- In eighteen states, the copayment for a family of three at 100 percent of poverty was above $117 per month (7.2 percent of income) in 2013.

reimbursement rates

STATES ESTABLISH REIMBURSEMENT RATES FOR CHILD CARE PROVIDERS who care for children receiving child care assistance. The reimbursement rate is a ceiling on the amount the state will pay providers, and a provider will be reimbursed at that rate if the provider charges private-paying parents a fee that is equal to or greater than the rate. If a provider charges private-paying parents a fee that is below the maximum reimbursement rate, the state will reimburse the provider an amount equal to the private-pay fee. Reimbursement rates may vary by geographic region, age of the child, type of care, and other factors. Reimbursement rates help determine whether child care providers have sufficient resources to sustain their businesses, offer salaries high enough to attract and retain qualified staff, set low child-staff ratios, maintain facilities, and purchase materials and supplies for activities that foster children's learning. Inadequate reimbursement rates deprive child care providers of the resources needed to offer high-quality care and may discourage high-quality providers from serving families who receive child care assistance.

States are required to survey child care providers' market rates every two years, but are not required to set their rates at any particular level or update their rates regularly. Federal regulations recommend, but do not mandate, that rates be set at the 75th percentile of current market rates,[49] a rate that is designed to allow families access to 75 percent of the providers in their communities. In 2013, just three states set their reimbursement rates at the 75th percentile of current market rates, only a slight improvement from the one state that set its rates at this recommended level in 2012, and a sharp decline from 2001, when over two-fifths of the states set their reimbursement rates at this level.[50] In 2013, the remaining forty-eight states set their reimbursement rates below the 75th percentile of current market rates, including many states that set their rates substantially below the 75th percentile. In addition, only about one-quarter of the states had updated their reimbursement rates in the previous two years. When reimbursement rates are not regularly updated, the gap between reimbursement rates and the 75th percentile of current market rates grows wider.

In 2013, just three states set their reimbursement rates at the 75th percentile of current market rates, a sharp decline from 2001, when over two-fifths of the states set their reimbursement rates at this level.

When the reimbursement rate falls short of the fee a child care provider charges private-paying parents, over three-quarters of the states allow child care providers to ask parents receiving child care assistance to cover the difference (beyond any required copayment). Although this approach may help child care providers avoid lost income, it shifts the financial burden to families whose low income makes it difficult for them to afford the additional charge.

- Three states set their reimbursement rates at the 75th percentile of current market rates (rates from 2011 or 2012) in 2013 (*see Table 4a*). This was slightly higher than the number of states—one—that set their reimbursement rates at this level in 2012 (*see Table 4b*). However, it was significantly lower than the number of states—twenty-two—that set their reimbursement rates at this level in 2001.

- Thirteen states increased at least some of their reimbursement rates between 2011 and 2013.[51] Five states reduced their reimbursement rates between 2011 and 2013.[52] In one state that allows counties to set reimbursement rates, some counties increased their rates, some counties reduced their rates, and some counties kept their rates the same.[53] The remaining thirty-two states did not update their reimbursement rates between 2011 and 2013. All states except one updated their reimbursement rates between 2001 and 2013.
- In thirty-two states, reimbursement rates for center-based care for a four-year-old in 2013 were at least 20 percent below the 75th percentile of market rates (based on the state's most recent market survey) for this type of care (*see Table 4c*).[54]
- In twenty-six states, reimbursement rates for center-based care for a one-year-old in 2013 were at least 20 percent below the 75th percentile of market rates (based on the state's most recent market survey) for this type of care.[55]
- Thirty-nine states allowed child care providers to charge parents receiving child care assistance the difference between the reimbursement rate and the fee that the provider charged private-paying parents if the reimbursement rate was lower in 2013—the same number of states as in 2012.[56]

Thirty-three states had higher reimbursement rates (tiered rates) for child care providers that met higher-quality standards in 2013, one more state than in 2012.[57] Some states had a single higher reimbursement rate; other states had progressively higher reimbursement rates for progressively higher levels of quality. Tiered reimbursement rates can offer child care providers incentives and support to improve the quality of their care. However, a small rate differential may not cover the additional costs involved in improving quality sufficiently to qualify for a higher rate. These costs include expenses for additional staff in order to reduce child-staff ratios, increased salaries for staff with advanced education in early childhood development, staff training, facilities upgrades, and/or new equipment and materials. Yet, in nearly three-quarters of states with tiered rates, the highest rate fell below the 75th percentile of current market rates. In nearly half of the states with tiered rates, the highest reimbursement rate was also less than 20 percent above the base rate.

Thirty-three states had higher reimbursement rates (tiered rates) for child care providers that met higher-quality standards in 2013.

- Thirty-three states paid higher reimbursement rates for higher-quality care in 2013, a slight increase from thirty-two states in 2012 (*see Table 4d*).[58] While most of these states had tiered rates that applied across different age groups, one state only paid tiered rates for providers caring for children from two years of age to kindergarten entry[59] and one state only paid tiered rates for providers caring for children up to 2.9 years of age.[60]
- Twelve of the thirty-three states with tiered rates in 2013 had two rate levels (including the base level),[61] two states had three levels, ten states had four levels, seven states had five levels, and two states had six levels.[62]
- In nearly three-quarters of the thirty-two states with tiered rates for center-based care for a four-year-old in 2013, the reimbursement rate for this type of care at the highest quality level was below the 75th percentile of current market rates (which includes providers at all levels of quality) for this type of care.[63]
  - In twenty-three of the thirty-two states, the reimbursement rate at the highest quality level was below the 75th percentile of current market rates.[64] This includes nine states in which the reimbursement rate at the highest quality level was at least 20 percent below the 75th percentile.
  - In one of the thirty-two states, the reimbursement rate at the highest quality level was equal to the 75th percentile of current market rates.
  - In eight of the thirty-two states, the reimbursement rate at the highest quality level was above the 75th percentile of current market rates. This includes three states in which the reimbursement rate at the highest quality level was at least 10 percent above the 75th percentile.

- Among the thirty-two states with tiered reimbursement rates for center-based care for a four-year-old, the difference between a state's lowest rate and highest rate for this type of care ranged from 5 percent to 67 percent in 2013.[65] There was no consistent relationship between the percentage difference and whether the highest rate was below or above the 75th percentile of current market rates.
  - In four of the thirty-two states, the highest rate was 5 percent to 9 percent greater than the lowest rate. In all of these four states, the highest rate was below the 75th percentile of current market rates.
  - In eleven of the thirty-two states, the highest rate was 10 percent to 19 percent greater than the lowest rate. In seven of these eleven states, the highest rate was below the 75th percentile of current market rates.
  - In seven of the thirty-two states, the highest rate was 20 percent to 29 percent greater than the lowest rate. In six of these seven states, the highest rate was below the 75th percentile of current market rates.
  - In ten of the thirty-two states, the highest rate was at least 30 percent greater than the lowest rate. In six of these ten states, the highest rate was below the 75th percentile of current market rates.
- Two states reduced the amount of the differential between their lowest and highest tiers between 2012 and 2013.[66] Two states increased the amount of the differential between their lowest and highest tiers between 2012 and 2013.[67]

eligibility for families with parents searching for a job

CHILD CARE ASSISTANCE CAN HELP PARENTS get or keep the child care they need while searching for an initial job or a new job. Parents can start work sooner if they already have child care available when they find a job than if they can only begin arranging child care after finding a job. In addition, children can have greater stability if they can remain in the same child care without disruption while their parent searches for a job.

All but five states allowed families receiving child care assistance to continue receiving it for at least some amount of time while a parent searched for a job in 2013, the same as in 2012. But less than one-third of the states (fifteen) allowed families to qualify for and begin receiving child care assistance while a parent searched for a job in 2013, slightly lower than the number of states (sixteen) in 2012.[68]

Among states setting a limit by the number of days, weeks, or months, the amount of time families could continue receiving or qualify for and begin receiving child care assistance while a parent searched for a job ranged from two weeks to thirteen weeks in 2013. One state reduced the length of time families could continue receiving child care assistance while a parent searched for a job between 2012 and 2013.[69]

- Forty-six states allowed families receiving child care assistance to continue receiving it while a parent searched for a job in 2013, the same number of states as in 2012 (*see Table 5*).
  - Four states allowed families to continue receiving child care assistance until the end of the month in which the parent lost his or her job, and one state allowed families to continue receiving child care assistance until the end of the month following the month in which the parent lost his or her job in 2013. In these states, the amount of time a parent had to search for a new job depended on when during the month s/he lost a job.
  - Three states allowed families to continue receiving child care assistance while a parent searched for a job for up to a certain number of hours, including one state for up to 80 hours, one state for up to 150 hours, and one state for up to 240 hours in 2013.
  - One state allowed families to continue receiving child care assistance while a parent searched for a job for up to two weeks in 2013.
  - One state allowed families to continue receiving child care assistance while a parent searched for a job for up to twenty-one days in 2013.
  - Twenty-one states allowed families to continue receiving child care assistance while a parent searched for a job for up to either thirty days or four weeks in 2013, including one state that reduced the length of time from sixty days in 2012.
  - Three states allowed families to continue receiving child care assistance while a parent searched for a job for up to either forty days, forty-five days, or fifty-six days in 2013.
  - Eight states allowed families to continue receiving child care assistance while a parent searched for a job for up to either sixty days, eight weeks, or two months in 2013.
  - Four states allowed families to continue receiving child care assistance while a parent searched for a job for up to either ninety days, thirteen weeks, or three months in 2013.

- Five states did not allow families receiving child care assistance to continue receiving it while a parent searched for a job in 2013, the same number as in 2012.
- Fifteen states allowed families not receiving child care assistance to qualify for assistance while a parent searched for a job in 2013, one fewer state than in 2012.
  - Three states allowed families to receive child care assistance while a parent searched for a job for up to a certain number of hours, including one state for up to 80 hours, one state for up to 150 hours, and one state for up to 240 hours in 2013.
  - One state allowed families to receive child care assistance while a parent searched for a job for up to two weeks in 2013.
  - Five states allowed families to receive child care assistance while a parent searched for a job for up to thirty days or four weeks in 2013.
  - One state allowed families to receive child care assistance while a parent searched for a job for up to forty days in 2013.
  - Five states allowed families to receive child care assistance while a parent searched for a job for up to either sixty days, eight weeks, or two months in 2013.
- One state permitted localities to allow families not receiving child care assistance to qualify for assistance while a parent searched for a job for up to six months (if funds were available) in 2013, the same as in 2012.
- Thirty-five states did not allow families not receiving child care assistance to qualify for assistance while a parent searched for a job in 2013, one more state than in 2012.

All but five states allowed families receiving child care assistance to continue receiving it for at least some amount of time while a parent searched for a job in 2013.

conclusion

FAMILIES GAINED GROUND under one or more key child care assistance policies in slightly over half of the states between February 2012 and February 2013, but they lost ground in nearly half of the states. This represented an improvement over each of the previous two years, when families experienced cutbacks in more states than they experienced improvements. Yet, families remain behind where they were in 2001 in access to child care assistance and the level of assistance they receive.

It is a pivotal moment for child care assistance programs and the children and families who rely on them. The positive trend in states' child care assistance policies between February 2012 and February 2013, as well as since February 2013—with far more states reporting improvements than cutbacks—is encouraging. Yet, there is no guarantee that this positive trend will continue, particularly in light of continuing sequester cuts and the possibility of additional federal and/or state budget cuts. At the same time, President Obama's early learning proposal, which includes expanded federal investments in child care, holds promise for significantly accelerating this positive trend. Expanded investments in child care are essential to ensure that parents have the affordable, reliable child care they need to work, children have the nurturing environments they need to learn and grow, and our nation has the strong workforce it needs now and in the future for economic prosperity.

endnotes

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

2 In 2012 (the most recent year for which data are available), 7.64 million families with children under age six (45.2 percent) had incomes under 200 percent of poverty. U.S. Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement, Detailed Table POV08: Families With Related Children Under 6 by Number of Working Family Members and Family Structure: 2012, *available at* http://www.census.gov/hhes/www/cpstables/032013/pov/pov08_200.htm.

3 National Association of Child Care Resource and Referral Agencies, Parents and the High Cost of Child Care: 2012 Report (Washington, DC: NACCRRA, 2012), 7, *available at* http://www.naccrra.org/sites/default/files/default_site_pages/2012/cost_report_2012_final_081012_0.pdf.

4 These counts include twelve states in which families were worse off under some policies and better off under others.

5 Families were considered worse off under the child care assistance policies between 2012 and 2013 if during that time period the state reduced its income eligibility limit to qualify for child care assistance as a dollar amount; implemented a waiting list, increased its waiting list or froze intake; increased parent copayments for families at 100 percent of poverty and/or 150 percent of poverty as a percentage of income; reduced provider reimbursement rates as a dollar amount or stopped reimbursing providers at the federally recommended level, the 75th percentile of current market rates; reduced reimbursement rate differentials for higher-quality care; and/or reduced the length of time families could receive child care assistance while a parent searched for a job or stopped allowing families to qualify for or continue receiving child care assistance while a parent searched for a job. Families were considered better off under state child care assistance policies between 2012 and 2013 if during that time period the state increased its income eligibility limit to qualify for child care assistance by an amount that exceeded an annual inflation adjustment; reduced its waiting list, served all families on the waiting list, or unfroze intake; reduced parent copayments for families at 100 percent of poverty and/or 150 percent of poverty as a percentage of income; increased provider reimbursement rates as a dollar amount; increased or began implementing reimbursement rate differentials for higher-quality care; and/or increased the amount of time families could receive child care assistance while a parent searched for a job or started allowing families to qualify for or continue receiving child care assistance while a parent searched for a job.

6 Karen Schulman and Helen Blank, Downward Slide: State Child Care Assistance Policies 2012 (Washington, DC: National Women's Law Center, 2012) (hereinafter State Child Care Assistance Policies 2012), *available at* http://www.nwlc.org/sites/default/files/pdfs/NWLC2012_StateChildCareAssistanceReport.pdf.

7 Karen Schulman and Helen Blank, State Child Care Assistance Policies 2011: Reduced Support for Families in Challenging Times (Washington, DC: National Women's Law Center, 2011), *available at* http://www.nwlc.org/sites/default/files/pdfs/state_child_care_assistance_policies_report2011_final.pdf.

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

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

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

11 National Conference of State Legislatures, State Budget and Tax Actions: Preliminary Report (August 2013) (Denver, CO: NCSL, 2013), *available at* http://www.ncsl.org/Portals/1/Documents/fiscal/SBTA_PreliminaryReport_final.pdf. In FY 2013, state general fund revenues were 5.3 percent higher and year-end fund balances were 23 percent higher than in FY 2012. See also, Elizabeth McNichol, States Should React Cautiously to Recent Income Tax Growth: April Surge Provides Opportunity to Invest in Infrastructure, Boost Reserves (Washington, DC: Center on Budget and Policy Priorities, 2013), *available at* http://www.cbpp.org/files/6-13-13sfp.pdf.

12 This report uses 2001 policies as the basis for comparison because, until 2010, it was the year between the peak year for Child Care and Development Block Grant (CCDBG) funding, 2002, and the peak year for Temporary Assistance for Needy Families (TANF) funding used for child care, 2000. See section on funding for child care assistance.

13 The federal poverty level for a family of three was $19,530 in 2013. U.S. Department of Health and Human Services, 2013 Poverty Guidelines, *available at* http://aspe.hhs.gov/poverty/13poverty.cfm. The federal poverty level for a family of three was $19,090 in 2012. U.S. Department of Health and Human Services, 2012 HHS Poverty Guidelines, *available at* http://aspe.hhs.gov/poverty/12poverty.shtml.

14 The federal poverty level for a family of three was $14,630 in 2001. U.S. Department of Health and Human Services, The 2001 HHS Poverty Guidelines, *available at* http://aspe.hhs.gov/poverty/01poverty.htm.

15 Comparable data were not collected for 2001.

16 In addition, Rhode Island, although maintaining its income eligibility limit to qualify for child care assistance at 180 percent of the 2013 federal poverty level ($35,154 a year for a family of three), as of October 2013 began a twelve-month pilot during which time families already receiving assistance are able to continue doing so until their income reaches 225 percent of poverty ($43,943 a year for a family of three).

17 In addition, Kentucky, which previously allowed families receiving child care assistance to continue receiving it with an income of up to 165 percent of the 2011 federal poverty level ($30,588 a year for a family of three), no longer has a separate, higher exit eligibility limit.

18 For states that pay higher rates for higher-quality care, only if the state increased its base rate (the lowest rate) is it included here, and the reimbursement rate increase described is an increase in the base rate.

19 In addition, in Colorado, which allows counties to set reimbursement rates, Denver increased its reimbursement rates as of April 2013. For example, the base rate for center care for a four-year-old in Denver increased from $591 per month to $671 per month. The state did not report whether other counties also increased their rates after February 2013.

20 The monthly reimbursement rate for center care for a four-year-old in Cumberland County, for which rates are reported in Table 4c, remained the same ($810).

21 This study focuses on the income criteria used to determine a family's eligibility when it first applies for assistance, because this traditionally has been used as the measure of access to benefit programs and determines whether a family can enter the program. However, some states allow families to continue to receive assistance up to a higher income level than the initial eligibility limit. Information about states that have different entrance and exit income eligibility limits is provided in the notes to Tables 1a and 1b.

22 Email from Andrew Williams, Policy Division Director, Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services, to Karen Schulman, National Women's Law Center, June 11, 2013. This amount includes $2.206 billion in discretionary funding and $2.917 billion in mandatory (entitlement) funding.

23 U.S. Department of Health and Human Services, Fiscal Year 2013 Budget in Brief (Washington, DC: U.S. Department of Health and Human Services, 2012), 88, 92, *available at* http://www.hhs.gov/budget/budget-brief-fy2013.pdf. This amount includes $2.278 billion in discretionary funding and $2.917 billion in mandatory (entitlement) funding.

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

25 U.S. Department of Health and Human Services, Fiscal Year 2011 Budget in Brief (Washington, DC: U.S. Department of Health and Human Services, 2010), 75, 79, *available at* http://www.hhs.gov/about/budget/fy2011/fy2011bib.pdf. In addition to the $1 billion in ARRA funding, this total of $6.044 billion in CCDBG funding includes $2.127 billion in discretionary funding and $2.917 billion in mandatory (entitlement) funding.

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

27 CCDBG funding in FY 2002, before adjusting for inflation, was $4.817 billion. This amount includes $2.1 billion in discretionary funding and $2.717 billion in mandatory (entitlement) funding. U.S. Department of Health and Human Services, FY 2003 President's Budget for HHS (Washington, DC: U.S. Department of Health and Human Services, 2002), 83, 92, *available at* http://archive.hhs.gov/budget/pdf/hhs2003bib.pdf. Inflation adjustment calculated by National Women's Law Center using Congressional Budget Office, The Budget and Economic Outlook report series; figures are adjusted for inflation using the average of the Consumer Price Index and the Employment Cost Index.

28 National Women's Law Center analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2012 TANF Financial Data, Table A.1.: Federal TANF and State MOE Expenditures Summary by ACF-196 Spending Category, FY 2012, *available at* http://www.acf.hhs.gov/programs/ofa/resource/tanf-financial-data-fy-2012. Total includes $1.358 billion transferred to CCDBG, $104 million spent on child care categorized as "assistance," and $1.129 billion spent on child care categorized as "non-assistance."

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

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

31 In FY 2001, CCDBG funding was $4.567 billion ($6.066 billion in FY 2013 dollars) and TANF funding used for child care was $3.541 billion ($4.703 billion in FY 2013 dollars). The CCDBG funding amount includes $2.0 billion in discretionary funding and $2.567 billion in mandatory (entitlement) funding. U.S. Department of Health and Human Services, FY 2002 President's Budget for HHS (Washington, DC: U.S. Department of Health and Human Services, 2001), 89-90, *available at* http://archive.hhs.gov/budget/pdf/hhs2002.pdf. The TANF funding amount includes $1.899 billion transferred to CCDBG, $285 million spent on child care categorized as "assistance," and $1.357 billion spent on child care categorized as "non-assistance." National Women's Law Center analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2001 TANF Financial Data, Table A. Combined Federal Funds Spent in FY 2001 Through the Fourth Quarter, *available at* http://archive.acf.hhs.gov/programs/ofs/data/tanf_2001.html. CCDBG and TANF amounts in FY 2013 dollars calculated by National Women's Law Center using Congressional Budget Office, The Budget and Economic Outlook report series; figures are adjusted for inflation using the average of the Consumer Price Index and the Employment Cost Index.

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

33 State median income is not used to measure inflation between 2001 and 2013 because variations among states in state median income adjustments and in the benchmark states use to set their income eligibility limits are more difficult to track than changes in the federal poverty level over a long-term period.

34 These two states are Idaho and Washington, which increased their income limits as a percentage of the federal poverty level. In most instances, the states included in the counts referenced in the text of this report are discernible from the tables following the endnotes. When the states are not easily discernible from the tables, the endnotes identify the states referenced.

35 These twenty-two states include two states (Oregon and Wisconsin) that set their income limits based on the federal poverty level and adjusted their income limits for the 2013 federal poverty level; seventeen states (Arizona, Delaware, Florida, Illinois, Indiana, Iowa, Kansas, Maine, Nebraska, New Hampshire, New Mexico, New York, Pennsylvania, Rhode Island, South Carolina, South Dakota, and West Virginia) that set their income limits based on the federal poverty level and adjusted their income limits for the 2012 federal poverty level; and three states (Colorado, Massachusetts, and Texas) that set their income limits based on state median income and adjusted their income limits for the 2013 state median income between February 2012 and February 2013.

36 Virginia adjusted its four regional income limits for the 2012 federal poverty level from the 2010 federal poverty level.

37 This state is Wyoming.

38 This state is Louisiana.

39 These five states are Connecticut, Minnesota, Nevada, Tennessee, and Utah.

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

41 National Women's Law Center analysis of data from Elise Gould, Hilary Wething, Natalie Sabadish, and Nicholas Finio, What Families Need to Get By: The 2013 Update of EPI's Family Budget Calculator (Washington, DC: Economic Policy Institute, 2013), *available at* http://www.epi.org/publication/ib368-basic-family-budgets/; and from Sylvia Allegretto, Basic Family Budgets: Working Families' Incomes Often Fail to Meet Living Expenses Around the U.S. (Washington, DC: Economic Policy Institute, 2005), *available at* http://www.epi.org/page/-/old/briefingpapers/165/bp165.pdf.

42 See, *e.g.*, Karen Schulman and Helen Blank, In Their Own Voices: Parents and Providers Struggling with Child Care Cuts (Washington, DC: National Women's Law Center, 2005), 10; Children's Action Alliance, The Real Reality of Arizona's Working Families—Child Care Survey Highlights (Phoenix, AZ: Children's Action Alliance, 2004); Deborah Schlick, Mary Daly, and Lee Bradford, Faces on the Waiting List: Waiting for Child Care Assistance in Ramsey County (Ramsey County, MN: Ramsey County Human Services, 1999) (Survey conducted by the Minnesota Center for Survey Research at the University of Minnesota); Philip Coltoff, Myrna Torres, and Natasha Lifton, The Human Cost of Waiting for Child Care: A Study (New York, NY: Children's Aid Society, 1999); Jennifer Gulley and Ann Hilbig, Waiting List Survey: Gulf Coast Workforce Development Area (Houston, TX: Neighborhood Centers, Inc., 1999); Jeffrey D. Lyons, Susan D. Russell, Christina Gilgor, and Amy H. Staples, Child Care Subsidy: The Costs of Waiting (Chapel Hill, NC: Day Care Services Association, 1998); Casey Coonerty and Tamsin Levy, Waiting for Child Care: How Do Parents Adjust to Scarce Options in Santa Clara County? (Berkeley, CA: Policy Analysis for California Education, 1998); Philadelphia Citizens for Children and Youth, et al., Use of Subsidized Child Care by

Philadelphia Families (Philadelphia, PA: Philadelphia Citizens for Children and Youth, 1997); Greater Minneapolis Day Care Association, Valuing Families: The High Cost of Waiting for Child Care Sliding Fee Assistance (Minneapolis, MN: Greater Minneapolis Day Care Association, 1995).

43 Waiting lists are not a perfect measure of unmet need, however. For example, waiting lists may increase due to expanded outreach efforts that make more families aware of child care assistance programs, and may decrease due to a state's adoption of more restrictive eligibility criteria.

44 If a state determines its copayment based on the cost of care, this report assumes that the family had a four-year-old in a licensed, non-accredited center charging the state's maximum reimbursement rate. If a state allows localities to set their copayments within a state-specified range, the maximum of that range was used for the analysis in this report.

45 U.S. Census Bureau, Who's Minding the Kids? Child Care Arrangements: 2011, Detailed Tables, Table 6: Average Weekly Child Care Expenditures of Families with Employed Mothers that Make Payments, by Age Groups and Selected Characteristics: Spring 2011 (2013), *available at* http://www.census.gov/hhes/childcare/data/sipp/2011/tables.html.

46 For a family of three, 150 percent of the federal poverty level was equal to an income of $28,635 in 2012 and $29,295 in 2013.

47 These eight states do not include six states that had income eligibility limits to initially qualify for assistance below 150 percent of poverty but allowed families already receiving assistance to remain eligible with incomes above 150 percent of poverty in 2013.

48 For a family of three, 150 percent of the federal poverty level was equal to an income of $21,945 in 2001.

49 Child Care and Development Fund (Preamble to Final Rule), 63 Fed. Reg. 142 (July 24, 1998), *available at* http://www.gpo.gov/fdsys/pkg/FR-1998-07-24/pdf/98-19418.pdf.

50 For this analysis, a state's reimbursement rates in a given year are considered up-to-date if based on a market survey conducted no more than two years prior to that year. Also note that for this analysis, a state's reimbursement rates are not considered to be at the 75th percentile of market rates if only some of its rates—for example, for certain regions, age groups, or higher-quality care—are at the 75th percentile.

51 These thirteen states are Delaware, Illinois, Iowa, Maine, Nebraska, New Hampshire, New Mexico, New York, North Dakota, South Dakota, Texas, Utah, and Virginia. Nebraska is included because it increased rates for many categories of care, although not the particular categories in the particular counties shown in Table 4c. New York is included because it updated its rates from the 75th percentile of 2009 rates to the 75th percentile of 2011 rates; while rates for center-based infant care in New York City were adjusted downward based on the updated market rates, all other rates remained the same or increased. Texas is included because it reported that eleven of its twenty-eight localities—which determine when to update rates—had updated at least some of their rates within the past two years. The thirteen states do not include Florida, which did not report that any of its localities—which determine when to update rates—had increased their rates within the past two years. Differences between rates shown in Table 4c of this report and rates shown in Table 4c of the State Child Care Assistance Policies 2011 and 2012 reports for any states other than those identified in this and the following two endnotes are due to revisions or recalculations of the data or changes in the category for which data are reported rather than policy changes.

52 These five states are Minnesota, Ohio, Pennsylvania, Wisconsin, and Wyoming. Pennsylvania and Wisconsin reduced their base rates, but raised their higher rates for higher-quality care.

53 This state is Colorado.

54 States were asked to report data from their most recent market rate survey, and most states reported data from 2011 or more recent surveys. However, five states—Illinois, Kansas, New Jersey, Wisconsin, and Wyoming—reported data from 2010. Illinois, Kansas, and New Jersey are included in these thirty-two states because their reimbursement rates were 20 percent or more below the 75th percentile of market rates based on their outdated surveys, and so presumably their reimbursement rates would be 20 percent or more below the 75th percentile of current market rates. Wisconsin and Wyoming are not included in the thirty-two states because their reimbursement rates were less than 20 percent below the 75th percentile of market rates based on their outdated surveys, and thus it is not possible to calculate whether their reimbursement rates were 20 percent or more below the 75th percentile of current market rates.

55 Illinois and New Jersey are included in these twenty-six states because their reimbursement rates were 20 percent or more below the 75th percentile of market rates based on their outdated surveys, and so presumably their reimbursement rates would be 20 percent or more below the 75th percentile of current market rates. Kansas, Wisconsin, and Wyoming are not included in the twenty-six states because their reimbursement rates were less than 20 percent below the 75th percentile of market rates based on their outdated surveys, and thus it is not possible to calculate whether their reimbursement rates were 20 percent or more below the 75th percentile of current market rates.

56 Comparable data were not collected for 2001. However, comparable data were collected for 2000 and 2005. In each of these years, thirty-seven states permitted child care providers to charge parents the difference between the state reimbursement rate and the provider's private fee. Karen Schulman and Helen Blank, Child Care Assistance Policies 2005: States Fail to Make Up Lost Ground, Families Continue to Lack Critical Supports (Washington, DC: National Women's Law Center, 2005), 5, 18; Karen Schulman, Helen Blank, and Danielle Ewen, A Fragile Foundation: State Child Care Assistance Policies (Washington, DC: Children's Defense Fund, 2001), 103.

57 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.

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

59 This state is Hawaii.

60 This state is Massachusetts, which began providing these higher-rates for higher-quality care as of November 2012.

61 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).

62 Four states changed the number of rate levels they had between 2012 and 2013, including Nevada and Wisconsin, which went from two to four levels; Pennsylvania, which went from four to five levels; and New Mexico, which went from five to four levels. (The change in the number of rate levels reported for Mississippi between this year and last year reflects a revision in the information reported, not a change in policy.)

63 Massachusetts is not included in this analysis because it does not have higher rates for higher-quality care for four-year-olds, but its highest rate for center care for a one-year-old was more than 20 percent below the 75th percentile of current market rates for this type of care.

64 These twenty-three states include New Mexico and North Carolina, which determined a separate 75th percentile of current market rates for child care providers at each quality level. In both states, the reimbursement rate at the highest quality level was lower than even the 75th percentile for the lowest-priced level.

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

66 These two states are Nevada, which reduced its highest rate and added two new rate levels between the highest and lowest rates, and New Mexico, which eliminated its lowest rate and raised its highest rate.

67 These two states are Pennsylvania and Wisconsin, which reduced their lowest rates and increased their highest rates. (The change in the amount of the differential between the highest and lowest rates reported for Mississippi between this year and last year reflects a revision in the information reported, not a change in policy.)

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

69 Changes in policy are indicated in the notes for Table 5.

TABLE 1A: INCOME ELIGIBILITY LIMITS FOR A FAMILY OF THREE IN 2012 AND 2013

	Income limit in 2013			Income limit in 2012			Change in income limit 2012 to 2013		
State	As annual dollar amount	As percent of poverty ($19,530 a year)	As percent of state median income	As annual dollar amount	As percent of poverty ($19,090 a year)	As percent of state median income	As annual dollar amount	As percent of poverty	As percent of state median income
Alabama*	$24,084	123%	45%	$24,084	126%	45%	$0	-3%	0%
Alaska*	$54,288	278%	75%	$54,288	284%	75%	$0	-6%	0%
Arizona*	$31,512	161%	57%	$30,600	160%	53%	$912	1%	4%
Arkansas	$29,760	152%	62%	$29,760	156%	63%	$0	-4%	-1%
California*	$42,216	216%	65%	$42,216	221%	64%	$0	-5%	1%
Colorado*	$24,814-$58,176	127%-298%	36%-85%	$24,086-$57,492	126%-301%	36%-85%	$684-$728	-3%-1%	0%-1%
Connecticut*	$42,829	219%	50%	$42,893	225%	50%	-$65	-5%	0%
Delaware*	$38,184	196%	53%	$37,056	194%	53%	$1,128	1%	0%
District of Columbia*	$45,775	234%	71%	$45,775	240%	78%	$0	-5%	-7%
Florida*	$28,635	147%	52%	$27,804	146%	49%	$831	1%	3%
Georgia	$28,160	144%	50%	$28,160	148%	49%	$0	-3%	1%
Hawaii	$47,124	241%	64%	$47,124	247%	64%	$0	-6%	0%
Idaho*	$24,828	127%	48%	$23,184	121%	44%	$1,644	6%	3%
Illinois*	$35,328	181%	52%	$34,284	180%	51%	$1,044	1%	1%
Indiana*	$24,240	124%	41%	$23,532	123%	40%	$708	1%	1%
Iowa*	$27,684	142%	45%	$26,880	141%	44%	$804	1%	1%
Kansas*	$35,316	181%	58%	$34,272	180%	57%	$1,044	1%	2%
Kentucky*	$27,804	142%	52%	$27,804	146%	52%	$0	-3%	0%
Louisiana	$30,540	156%	54%	$35,868	188%	65%	-$5,328	-32%	-10%
Maine*	$47,725	244%	80%	$46,325	243%	81%	$1,400	2%	-1%
Maryland	$29,990	154%	35%	$29,990	157%	35%	$0	-4%	0%
Massachusetts*	$42,096	216%	50%	$42,025	220%	50%	$71	-5%	0%
Michigan	$23,880	122%	39%	$23,880	125%	39%	$0	-3%	0%
Minnesota*	$33,786	173%	47%	$33,992	178%	47%	-$206	-5%	0%
Mississippi	$34,999	179%	73%	$34,999	183%	75%	$0	-4%	-2%
Missouri*	$23,520	120%	40%	$23,520	123%	40%	$0	-3%	0%
Montana	$27,468	141%	49%	$27,468	144%	49%	$0	-3%	-1%
Nebraska*	$22,908	117%	38%	$22,248	117%	37%	$660	1%	0%
Nevada*	$43,596	223%	75%	$44,880	235%	75%	-$1,284	-12%	0%
New Hampshire*	$47,725	244%	62%	$46,325	243%	60%	$1,400	2%	2%
New Jersey*	$37,060	190%	43%	$37,060	194%	43%	$0	-4%	0%
New Mexico*	$38,180	195%	82%	$37,060	194%	81%	$1,120	1%	1%
New York*	$38,180	195%	55%	$37,060	194%	53%	$1,120	1%	2%
North Carolina*	$42,818	219%	76%	$42,818	224%	75%	$0	-5%	1%
North Dakota*	$30,575	157%	46%	$30,575	160%	49%	$0	-4%	-3%
Ohio*	$23,172	119%	38%	$23,172	121%	38%	$0	-3%	0%
Oklahoma*	$35,100	180%	67%	$35,100	184%	68%	$0	-4%	0%
Oregon	$36,130	185%	61%	$35,328	185%	58%	$802	0%	2%
Pennsylvania*	$38,180	195%	58%	$37,060	194%	56%	$1,120	1%	1%
Rhode Island*	$34,362	176%	46%	$33,354	175%	45%	$1,008	1%	1%
South Carolina*	$28,635	147%	53%	$27,795	146%	52%	$840	1%	1%
South Dakota*	$34,800	178%	60%	$33,788	177%	59%	$1,013	1%	1%
Tennessee	$31,692	162%	60%	$31,992	168%	60%	-$300	-5%	0%
Texas*	$28,635-$47,190	147%-242%	52%-85%	$27,807-$46,773	146%-245%	51%-85%	$417-$828	-3%-1%	0%-1%
Utah*	$34,416	176%	60%	$35,484	186%	60%	-$1,068	-10%	0%
Vermont	$36,600	187%	57%	$36,600	192%	58%	$0	-4%	-1%
Virginia*	$28,644-$47,736	147%-244%	39%-65%	$27,468-$45,780	144%-240%	38%-64%	$1,176-$1,956	3%-5%	1%
Washington*	$38,184	196%	56%	$32,424	170%	47%	$5,760	26%	8%
West Virginia*	$28,632	147%	56%	$27,792	146%	56%	$840	1%	0%
Wisconsin*	$36,131	185%	55%	$35,316	185%	54%	$815	0%	1%
Wyoming*	$35,808	183%	57%	$44,088	231%	69%	-$8,280	-48%	-12%

TABLE 1B: INCOME ELIGIBILITY LIMITS FOR A FAMILY OF THREE IN 2001 AND 2013

	Income limit in 2013			Income limit in 2001			Change in income limit 2001 to 2013		
State	As annual dollar amount	As percent of poverty ($19,530 a year)	As percent of state median income	As annual dollar amount	As percent of poverty ($14,630 a year)	As percent of state median income	As annual dollar amount	As percent of poverty	As percent of state median income
Alabama*	$24,084	123%	45%	$18,048	123%	41%	$6,036	0%	4%
Alaska*	$54,288	278%	75%	$44,328	303%	75%	$9,960	-25%	0%
Arizona*	$31,512	161%	57%	$23,364	160%	52%	$8,148	2%	4%
Arkansas*	$29,760	152%	62%	$23,523	161%	60%	$6,237	-8%	2%
California*	$42,216	216%	65%	$35,100	240%	66%	$7,116	-24%	-2%
Colorado*	$24,814-$58,176	127%-298%	36%-85%	$19,020-$32,000	130%-219%	36%-61%	$5,794-$26,176	-3%-79%	0%-24%
Connecticut*	$42,829	219%	50%	$47,586	325%	75%	-$4,757	-106%	-25%
Delaware*	$38,184	196%	53%	$29,260	200%	53%	$8,924	-4%	0%
District of Columbia*	$45,775	234%	71%	$34,700	237%	66%	$11,075	-3%	5%
Florida*	$28,635	147%	52%	$20,820	142%	45%	$7,815	4%	7%
Georgia	$28,160	144%	50%	$24,278	166%	50%	$3,882	-22%	0%
Hawaii*	$47,124	241%	64%	$46,035	315%	83%	$1,089	-73%	-18%
Idaho*	$24,828	127%	48%	$20,472	140%	51%	$4,356	-13%	-3%
Illinois*	$35,328	181%	52%	$24,243	166%	43%	$11,085	15%	9%
Indiana*	$24,240	124%	41%	$20,232	138%	41%	$4,008	-14%	0%
Iowa*	$27,684	142%	45%	$19,812	135%	41%	$7,872	6%	4%
Kansas*	$35,316	181%	58%	$27,060	185%	56%	$8,256	-4%	2%
Kentucky*	$27,804	142%	52%	$24,140	165%	55%	$3,664	-23%	-3%
Louisiana*	$30,540	156%	54%	$29,040	205%	75%	$1,500	-49%	-21%
Maine*	$47,725	244%	80%	$36,452	249%	75%	$11,273	-5%	4%
Maryland	$29,990	154%	35%	$25,140	172%	40%	$4,850	-18%	-5%
Massachusetts*	$42,096	216%	50%	$28,968	198%	48%	$13,128	18%	2%
Michigan	$23,880	122%	39%	$26,064	178%	47%	-$2,184	-56%	-8%
Minnesota*	$33,786	173%	47%	$42,304	289%	76%	-$8,518	-116%	-29%
Mississippi	$34,999	179%	73%	$30,999	212%	77%	$4,000	-33%	-4%
Missouri*	$23,520	120%	40%	$17,784	122%	37%	$5,736	-1%	3%
Montana	$27,468	141%	49%	$21,948	150%	51%	$5,520	-9%	-3%
Nebraska*	$22,908	117%	38%	$25,260	173%	54%	-$2,352	-55%	-16%
Nevada*	$43,596	223%	75%	$33,420	228%	67%	$10,176	-5%	8%
New Hampshire*	$47,725	244%	62%	$27,797	190%	50%	$19,928	54%	11%
New Jersey*	$37,060	190%	43%	$29,260	200%	46%	$7,800	-10%	-3%
New Mexico*	$38,180	195%	82%	$28,300	193%	75%	$9,880	2%	7%
New York*	$38,180	195%	55%	$28,644	202%	61%	$9,536	-7%	-6%
North Carolina*	$42,818	219%	76%	$32,628	223%	69%	$10,190	-4%	7%
North Dakota*	$30,575	157%	46%	$29,556	202%	69%	$1,019	-45%	-22%
Ohio*	$23,172	119%	38%	$27,066	185%	57%	-$3,894	-66%	-19%
Oklahoma*	$35,100	180%	67%	$29,040	198%	66%	$6,060	-19%	1%
Oregon	$36,130	185%	61%	$27,060	185%	60%	$9,070	0%	1%
Pennsylvania*	$38,180	195%	58%	$29,260	200%	58%	$8,920	-5%	-1%
Rhode Island*	$34,362	176%	46%	$32,918	225%	61%	$1,444	-49%	-14%
South Carolina*	$28,635	147%	53%	$21,225	145%	45%	$7,410	2%	8%
South Dakota*	$34,800	178%	60%	$22,826	156%	52%	$11,974	22%	8%
Tennessee	$31,692	162%	60%	$24,324	166%	56%	$7,368	-4%	4%
Texas*	$28,635-$47,190	147%-242%	52%-85%	$21,228-$36,516	145%-250%	47%-82%	$7,407-$10,674	-8%-2%	3%-5%
Utah*	$34,416	176%	60%	$28,248	193%	59%	$6,168	-17%	1%
Vermont	$36,600	187%	57%	$31,032	212%	64%	$5,568	-25%	-7%
Virginia*	$28,644-$47,736	147%-244%	39%-65%	$21,948-$27,060	150%-185%	41%-50%	$6,696-$20,676	-3%-59%	-2%-15%
Washington*	$38,184	196%	56%	$32,916	225%	63%	$5,268	-29%	-7%
West Virginia*	$28,632	147%	56%	$28,296	193%	75%	$336	-47%	-18%
Wisconsin*	$36,131	185%	55%	$27,060	185%	51%	$9,071	0%	4%
Wyoming*	$35,808	183%	57%	$21,948	150%	47%	$13,860	33%	10%

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

The income eligibility limits shown in the table represent the maximum income families can have when they apply for child care assistance. Some states allow families, once receiving assistance, to continue receiving assistance up to a higher income level than that initial limit. These higher exit eligibility limits are reported below for states that have them.

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

Data in the tables for 2013 reflect policies as of February 2013, data in the tables for 2012 reflect policies as of February 2012, and data in the tables for 2001 reflect policies as of June 2001, unless otherwise indicated. Certain changes in policies since February 2013 are noted below.

Alabama: In 2001, families already receiving assistance could continue doing so until their income reached $27,756. In 2012 and 2013, the exit eligibility limit was $27,792. As of October 2013, the income limit to qualify for assistance was expected to increase to $25,392 (130 percent of poverty), and the exit eligibility limit was expected to increase to $29,292 (150 percent of poverty) to adjust for the 2013 federal poverty level.

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

Arizona: As of July 2013, the income limit was increased to $32,244 (165 percent of poverty) to adjust for the 2013 federal poverty level.

Arkansas: The income limit shown in the table for 2001 takes into account a deduction of $100 per month ($1,200 a year) that was allowed for an adult household member who worked at least 30 hours per week. It is assumed there was one working parent. The stated income limit, in policy, was $22,323 in 2001. The state no longer used the deduction in 2012 or 2013.

California: Under policies in effect in 2001, families who had been receiving assistance as of January 1, 1998 could continue doing so until their income reached $46,800 since they were subject to higher income limits previously in effect. Also note that two counties (San Mateo and San Francisco) allowed families already receiving assistance to continue to receive it up to an income of $63,768 in 2012 and 2013.

Colorado: Counties set their income limits within state guidelines. Counties may also allow families already receiving assistance to continue doing so for up to six months after their income exceeds the county's initial income limit, if their income remains below 85 percent of state median income ($57,492 in 2012 and $58,176 in 2013). As of October 2013, the maximum level at which counties are allowed to set their income limit was expected to increase to $60,284 (85 percent of state median income) to adjust for the updated state median income estimate.

Connecticut: In 2012, families already receiving assistance could continue doing so until their income reached $64,340. In 2013, the exit eligibility limit was $64,243. As of July 2013, the income limit to qualify for assistance was increased to $43,333 (50 percent of state median income), and the exit eligibility limit was increased to $64,999 (75 percent of state median income) to adjust for the updated state median income estimate.

Delaware: As of October 2013, the income limit was increased to $39,060 (200 percent of poverty) to adjust for the 2013 federal poverty level.

District of Columbia: In 2001, families already receiving assistance could continue doing so until their income reached $41,640. In 2012 and 2013, the exit eligibility limit was $51,101.

Florida: In 2012, families already receiving assistance could continue doing so until their income reached $37,060. In 2013, the exit eligibility limit was $38,180.

Hawaii: In 2001, the state allowed a 20 percent deduction of all countable income in determining eligibility, which is taken into account in the figure shown in the table. The stated income limit, in policy, was $36,828. The state no longer used the deduction in 2012 or 2013.

Idaho: As of October 2013, the income limit was expected to increase to $25,392 (130 percent of poverty) to adjust for the 2013 federal poverty level.

Illinois: In 2001, the state allowed a 10 percent earned income deduction in determining eligibility, which is taken into account in the figure shown in the table. The stated income limit, in policy, was $21,819. The state no longer used the deduction in 2012 or 2013. As of July 2013, the income limit was increased to $36,132 (185 percent of poverty) to adjust for the 2013 federal poverty level.

Indiana: In 2012, families already receiving assistance could continue doing so until their income reached $31,500. In 2013, the exit eligibility limit was $32,448. As of April 2013, the income limit to qualify for assistance was increased to $24,804 (127 percent of poverty), and the exit eligibility limit was increased to $33,204 (170 percent of poverty) to adjust for the 2013 federal poverty level.

Iowa: For special needs care, the income limit was $37,080 in 2012 and $38,180 in 2013. As of July 2013, the income limit for standard care was increased to $28,332 (145 percent of poverty), and the income limit for special needs care was increased to $39,060 (200 percent of poverty) to adjust for the 2013 federal poverty level.

Kansas: As of May 2013, the income limit was increased to $36,144 (185 percent of poverty) to adjust for the 2013 federal poverty level.

Kentucky: In 2012 and 2013, families already receiving assistance could continue doing so until their income reached $30,588. As of July 2013, the income limit was reduced to $18,530 (100 percent of the 2011 federal poverty level); there is also no longer a separate exit eligibility limit.

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

Maine: As of April 2013, the income limit was increased to $48,828 (250 percent of poverty) to adjust for the 2013 federal poverty level.

Massachusetts: In 2001, families already receiving assistance could continue doing so until their income reached $49,248. In 2012, the exit eligibility limit was $71,441, and in 2013, it was $71,563. Also note that, for special needs care, the income limit to qualify for assistance was $71,441 in 2012 and $71,563 in 2013, and the exit eligibility limit was $84,049 in 2012 and $84,192 in 2013. As of July 2013, for standard care, the income limit to qualify for assistance was increased to $43,165 (50 percent of state median income), and the exit eligibility limit was increased to $73,380 (85 percent of state median income) to adjust for the updated state median income estimate.

Minnesota: In 2012, families already receiving assistance could continue doing so until their income reached $48,457. In 2013, the exit eligibility limit was $48,164. As of October 2013, the income limit to qualify for assistance was expected to increase to $34,459 (47 percent of state median income), and the exit eligibility limit was expected to increase to $49,124 (67 percent of state median income) to adjust for the updated state median income estimate.

Missouri: In 2012 and 2013, families already receiving assistance could continue doing so until their income reached $25,740.

Nebraska: For families transitioning from TANF, the income limit was $34,296 in 2012 and $35,316 in 2012. As of July 2013, the income limit was increased to $36,132 (185 percent of poverty) for families transitioning from TANF and to $23,435 (120 percent of poverty) for all other families to adjust for the 2013 federal poverty level.

Nevada: As of October 2013, the income limit was expected to increase to $43,764 (75 percent of state median income) to adjust for the updated state median income estimate.

New Hampshire: As of July 2013, the income limit was increased to $48,825 (250 percent of poverty) to adjust for the 2013 federal poverty level.

New Jersey: In 2001, families already receiving assistance could continue doing so until their income reached $36,575. In 2012 and 2013, the exit eligibility limit was $46,325.

New Mexico: As of April 2013, the income limit was increased to $39,060 (200 percent of poverty) to adjust for the 2013 federal poverty level.

New York: A few small demonstration projects set the income limit at $47,252 in 2012 and $48,680 in 2013. Also note that data on the state's policies as of 2001 are not available, so data on policies as of March 15, 2000 are used instead. As of June 2013, the income limit was increased to $39,060 (200 percent of poverty) to adjust for the 2013 federal poverty level.

North Carolina: As of August 2013, the income limit was changed to $42,204 (75 percent of state median income) to adjust for the updated state median income estimate.

North Dakota: As of July 2013, the income limit was increased to $58,980 (85 percent of state median income).

Ohio: In 2012 and 2013, families already receiving assistance could continue doing so until their income reached $37,080. The state did not have a separate exit eligibility limit in 2001. As of June 2013, the income limit to qualify for assistance was increased to $24,420 (125 percent of poverty) and the exit eligibility limit was increased to $39,072 (200 percent of poverty) to adjust for the 2013 federal poverty level.

Oklahoma: The income limit depends on how many children are in child care. The income limits shown in the table assume that the family was receiving assistance for two children in care. The income limit for a family receiving assistance for only one child in care was $29,100 in 2012 and 2013.

Pennsylvania: In 2001, families already receiving assistance could continue doing so until their income reached $34,381. In 2012, the exit eligibility limit was $43,546, and in 2013, it was $44,862. As of May 2013, the income limit to qualify for assistance was increased to $39,060 (200 percent of poverty), and the exit eligibility limit was increased to $45,896 (235 percent of poverty) to adjust for the 2013 federal poverty level.

Rhode Island: As of April 2013, the income limit was increased to $35,154 (180 percent of poverty) to adjust for the 2013 federal poverty level. As of October 2013, the state planned to begin a 12-month pilot during which time families already receiving assistance will be able to continue doing so until their income reaches $43,943 (225 percent of poverty).

South Carolina: In 2001, families already receiving assistance could continue doing so until their income reached $24,763. In 2012, the exit eligibility limit was $32,428, and in 2013, it was $33,408. As of October 2013, the income limit to qualify for assistance was expected to increase to $29,295 (150 percent of poverty), and the exit eligibility limit was expected to increase to $34,178 (175 percent of poverty) to adjust for the 2013 federal poverty level.

South Dakota: The income limits shown in the table take into account that the state disregards 4 percent of earned income in determining eligibility. The stated income limits, in policy, were $21,913 in 2001, $32,436 in 2012, and $33,408 in 2013. As of March 2013, the stated income limit was increased to $34,188 (175 percent of poverty) to adjust for the 2013 federal poverty level.

Texas: Local workforce development boards set their income limits within state guidelines. In addition, some local boards allow families an extended year of child care assistance up to a higher income than the initial eligibility limit; however, this exit eligibility limit cannot exceed 85 percent of state median income ($46,773 in 2012 and $47,190 in 2013). As of October 2013, the maximum income at which local boards can set their eligibility limits was expected to increase to $47,752 (85 percent of state median income) to adjust for the updated state median income estimate.

Utah: The income limits shown in the table take into account a standard deduction of $100 per month ($1,200 a year) for each working parent, assuming there is one working parent in the family, and a standard deduction of $100 per month ($1,200 a year) for all families to help cover any medical expenses. The stated income limits, in policy, were $25,848 in 2001, $33,084 in 2012, and $32,016 in 2013. Also note that in 2012, families already receiving assistance could continue doing so up to a stated income limit of $41,352. In 2013, the stated exit eligibility limit was $40,020. As of October 2013, the stated income limit to qualify for assistance was expected to change to $31,992 (56 percent of state median income), and the stated exit eligibility limit was expected to change to $39,996 (70 percent of state median income) to adjust for the updated state median income estimate. The stated income limit to qualify for special needs care was $50,208 in 2012 and $48,600 in 2013.

Virginia: The state has different income limits for different regions of the state. In 2001, the state had three separate regional income limits, which were: $21,948, $23,400, and $27,060. In 2012, the state had four separate regional income limits: $27,468, $29,304, $33,876, and $45,780. In 2013, the state also had four separate regional income limits: $28,644, $30,552, $35,328, and $47,736. As of October 2013, the four regional income limits were expected to increase to $29,304 (150 percent of poverty), $31,248 (160 percent of poverty), $36,132 (185 percent of poverty), and $48,828 (250 percent of poverty) to adjust for the 2013 federal poverty level.

Washington: As of September 2013, the income limit was increased to $39,072 (200 percent of poverty) to adjust for the 2013 federal poverty level.

West Virginia: In 2012, families already receiving assistance could continue doing so until their income reached $34,284. In 2013, the exit eligibility limit was $35,316.

Wisconsin: In 2001, families already receiving assistance could continue doing so until their income reached $29,256. In 2012, the exit eligibility limit was $38,180, and it 2013, it was $39,060.

Wyoming: The income limits shown in the table for 2012 and 2013 take into account a standard deduction of $200 per month ($2,400 a year) for each working parent, assuming there is one working parent in the family. The stated income limits, in policy, were $41,688 in 2012 and $33,408 in 2013. Also note that in 2001, families already receiving assistance could continue doing so until their income reached $27,060. In 2013, the stated exit eligibility limit was $42,960. The state did not have a separate exit eligibility limit in 2012. As of July 2013, the stated income limit to qualify for assistance was increased to $34,188 (175 percent of poverty), and the stated exit eligibility limit was increased to $43,956 (225 percent of poverty) to adjust for the 2013 federal poverty level.

TABLE 2: WAITING LISTS FOR CHILD CARE ASSISTANCE

State	Number of children or families on waiting lists as of early 2013	Number of children or families on waiting lists as of early 2012	Number of children or families on waiting lists as of December 2001
Alabama*	6,318 children	7,128 children	5,089 children
Alaska	No waiting list	No waiting list	588 children
Arizona*	6,712 children	7,661 children	No waiting list
Arkansas	No waiting list	14,000 children	8,000 children
California*	Waiting lists at local level	Waiting lists at local level	280,000 children (estimated)
Colorado*	75 children	677 children	Waiting lists at county level
Connecticut	No waiting list	No waiting list	No waiting list
Delaware	No waiting list	No waiting list	No waiting list
District of Columbia*	No waiting list	No waiting list	9,124 children
Florida*	60,259 children	71,803 children	46,800 children
Georgia*	No waiting list	Frozen intake	16,099 children
Hawaii	No waiting list	No waiting list	No waiting list
Idaho	No waiting list	No waiting list	No waiting list
Illinois	No waiting list	No waiting list	No waiting list
Indiana*	4,692 children	5,059 children	11,958 children
Iowa	No waiting list	No waiting list	No waiting list
Kansas	No waiting list	No waiting list	No waiting list
Kentucky*	Frozen intake	No waiting list	No waiting list
Louisiana	No waiting list	No waiting list	No waiting list
Maine*	No waiting list	Frozen intake	2,000 children
Maryland*	76 children	17,058 children	No waiting list
Massachusetts*	51,792 children	31,260 children	18,000 children
Michigan	No waiting list	No waiting list	No waiting list
Minnesota*	6,430 families	7,490 families	4,735 children
Mississippi*	7,021 children	9,000 children	10,422 children
Missouri	No waiting list	No waiting list	No waiting list
Montana	No waiting list	No waiting list	Varies by resource and referral district
Nebraska	No waiting list	No waiting list	No waiting list
Nevada*	1,748 children	770 children	No waiting list
New Hampshire	No waiting list	No waiting list	No waiting list
New Jersey*	No waiting list	10,472 children	9,800 children
New Mexico*	5,467 children	6,614 children	No waiting list
New York*	Waiting lists at local level	Waiting lists at local level	Waiting lists at local level
North Carolina*	39,961 children	42,378 children	25,363 children
North Dakota	No waiting list	No waiting list	No waiting list
Ohio	No waiting list	No waiting list	No waiting list
Oklahoma	No waiting list	No waiting list	No waiting list
Oregon*	No waiting list	6,300 children	No waiting list
Pennsylvania*	6,183 children	11,563 children	540 children
Rhode Island	No waiting list	No waiting list	No waiting list
South Carolina	No waiting list	No waiting list	No waiting list
South Dakota	No waiting list	No waiting list	No waiting list
Tennessee*	Frozen intake	Frozen intake	9,388 children (and frozen intake)
Texas*	16,817 children	17,161 children	36,799 children
Utah	No waiting list	No waiting list	No waiting list
Vermont	No waiting list	No waiting list	No waiting list
Virginia*	10,444 children	11,415 children	4,255 children
Washington	No waiting list	No waiting list	No waiting list
West Virginia	No waiting list	No waiting list	No waiting list
Wisconsin	No waiting list	No waiting list	No waiting list
Wyoming	No waiting list	No waiting list	No waiting list

NOTES FOR TABLE 2: WAITING LISTS FOR CHILD CARE ASSISTANCE

Alabama: Families receiving TANF that are participating in the JOBS program, families that have transitioned off TANF assistance within the past 6 months and are employed, minor parents working toward the completion of a high school diploma or a GED, protective services families, and foster care families are served without being placed on the waiting list. Also note that data for December 2001 are not available so data from November 2001 are used instead.

Arizona: Families with a referral from child protective services and families receiving or transitioning from TANF who need child care for employment are served without being placed on the waiting list.

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

Colorado: Waiting lists are kept at the county level, rather than at the state level. Four counties had waiting lists in 2001, but data on the total number of children on waiting lists in counties that had them are not available. In addition, four counties had frozen intake in 2001. The waiting list totals for 2012 and 2013 are the totals of reported county waiting lists. Teen parents are served without being placed on waiting lists.

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

Florida: The waiting list total for 2013 is from January 2013. Families in which an adult is a TANF recipient subject to federal work requirements and families receiving child protective services are served without being placed on the waiting list.

Georgia: The state froze intake as of May 2011 for all families other than priority groups, which include minor parents enrolled full time in school, grandparents over the age of 60 or receiving Supplemental Security Income (SSI) who are raising children under age five, child protective services cases, TANF applicants and recipients, families transitioning from TANF, children with siblings receiving child care assistance, and children with special needs. The state resumed serving families not in priority groups (while continuing to serve priority groups) in March 2012.

Indiana: In addition to the waiting list, some counties froze intake in 2001. TANF/IMPACT families with a complete referral from their caseworker are served without being placed on the waiting list.

Kentucky: The state froze intake in 2013 for families with incomes at or above 100 percent of poverty. Children receiving child protective or preventive services, children whose parents are required to participate in the TANF Kentucky Works Program, children with special needs, and teen parents are served and not subject to the freeze.

Maine: In February 2012, intake was frozen for families who applied for child care assistance. In March 2012, a waiting list was formally established and families who had applied during the freeze were placed on the waiting list in the order of their application. As of July 2012, 568 children were on the waiting list.

Maryland: TANF families, families transitioning from TANF, families receiving SSI, and children with documented disabilities are served without being placed on the waiting list. A waiting list was implemented on February 28, 2011, and the state did not serve any new families on the waiting list through early 2012. The state reopened intake on November 19, 2012 and again on March 11, 2013. The waiting list total for 2013 is from March 19, 2013.

Massachusetts: Families receiving TANF and participating in the employment services program and families referred by the child welfare agency based on open cases of abuse or neglect are served without being placed on the waiting list.

Minnesota: The waiting list total for 2012 is from December 2011. The waiting list total for 2013 is from January 2013. Families receiving TANF and families transitioning from TANF (for up to one year after their TANF case closes) are served without being placed on the waiting list.

Mississippi: The waiting list total for 2012 is an estimate. Also note that families receiving TANF or transitioning from TANF and children in foster, protective, or preventive services are served without being placed on the waiting list. In April 2012, the state also began serving children with special needs, children of deployed military members, and children of teen parents.

Nevada: Families receiving TANF and families with foster care or child protective services placements are served without being placed on the waiting list.

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

New Mexico: Families with incomes at or below 100 percent of poverty are served without being placed on the waiting list. In addition, families receiving or transitioning from TANF, teen parents, families with children who have special needs, homeless families, and children with siblings who are already receiving child care assistance are served without being placed on the waiting list.

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

North Carolina: Children in child protective services or foster care are served without being placed on the waiting list.

Oregon: The state deactivated its waiting list and has been able to serve all eligible families who apply as of January 1, 2013. Families who are transitioning from TANF, families reapplying for child care assistance after less than a two-month break in benefits, and families who are eligible for an opening in a contracted Oregon Program of Quality or Head Start program are served without being placed on the waiting list when it is activated.

Pennsylvania: Families receiving TANF and families transitioning from TANF are served without being placed on the waiting list.

Tennessee: When the state reported its data in 2001, intake was frozen for families not in the TANF or Transitional Child Care programs. The waiting list total for 2001 represents the number of children on the waiting list when intake was closed. The state did not provide a similar number for 2012 or 2013, when intake was also frozen and the state did not use a waiting list. TANF families, families transitioning from TANF, teen parents in high school, and children in foster care are served and not subject to the freeze.

Texas: Local workforce development boards maintain waiting lists. The totals in the table represent the aggregate number of children on waiting lists across all of the state's 28 boards. In addition, some boards have frozen intake. As of February 2013, 16 boards had a waiting list and 8 boards had frozen intake (including some of which may have had both a waiting list and frozen intake). Families in the TANF Work Program, families in the Supplemental Nutrition Assistance Program (SNAP) Employment and Training program, families transitioning from TANF, and children receiving protective services are served without being placed on the waiting list.

Virginia: Data for December 2001 are not available, so data from January 2001 are used instead. The waiting list total for 2012 is from July 2012. Families receiving TANF and families with children enrolled in Head Start are served without being placed on the waiting list.

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

	Monthly fee in 2013		Monthly fee in 2012		Monthly fee in 2001		Change 2012 to 2013		Change 2001 to 2013	
State	As a dollar amount	As a percent of income	As a dollar amount	As a percent of income	As a dollar amount	As a percent of income	In dollar amount	In percent of income	In dollar amount	In percent of income
Alabama	Not eligible	Not eligible	Not eligible	Not eligible	$215	12%	N/A	N/A	N/A	N/A
Alaska	$121	5%	$118	5%	$71	4%	$3	0%	$50	1%
Arizona	$152	6%	$154	6%	$217	12%	-$2	0%	-$65	-6%
Arkansas	$365	15%	$365	15%	$224	12%	$0	0%	$141	3%
California	$115	5%	$97	4%	$0	0%	$17	1%	$115	5%
Colorado	$269	11%	$262	11%	$185	10%	$6	0%	$84	1%
Connecticut	$146	6%	$143	6%	$110	6%	$3	0%	$36	0%
Delaware	$264	11%	$264	11%	$159	9%	$0	0%	$105	2%
District of Columbia	$102	4%	$102	4%	$91	5%	$0	0%	$11	-1%
Florida*	$217	9%	$217	9%	$104	6%	$0	0%	$113	3%
Georgia	Not eligible	Not eligible	Not eligible	Not eligible	$139	8%	N/A	N/A	N/A	N/A
Hawaii	$473	19%	$405	17%	$38	2%	$68	2%	$435	17%
Idaho	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	N/A	N/A	N/A	N/A
Illinois	$210	9%	$147	6%	$134	7%	$63	2%	$76	1%
Indiana*	$220	9%	$217	9%	$154	8%	$3	0%	$66	1%
Iowa*	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	N/A	N/A	N/A	N/A
Kansas	$207	8%	$207	9%	$162	9%	$0	0%	$45	0%
Kentucky	$260	11%	$260	11%	$177	10%	$0	0%	$83	1%
Louisiana*	$227	9%	$227	10%	$114	6%	$0	0%	$113	3%
Maine	$195	8%	$238	10%	$183	10%	-$43	-2%	$12	-2%
Maryland*	$313	13%	$313	13%	$236	13%	$0	0%	$77	0%
Massachusetts	$271	11%	$195	8%	$160	9%	$76	3%	$111	2%
Michigan	Not eligible	Not eligible	Not eligible	Not eligible	$24	1%	N/A	N/A	N/A	N/A
Minnesota	$78	3%	$77	3%	$53	3%	$1	0%	$25	0%
Mississippi*	$172	7%	$163	7%	$105	6%	$9	0%	$67	1%
Missouri	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	N/A	N/A	N/A	N/A
Montana	Not eligible	Not eligible	Not eligible	Not eligible	$256	14%	N/A	N/A	N/A	N/A
Nebraska*	Not eligible	Not eligible	Not eligible	Not eligible	$129	7%	N/A	N/A	N/A	N/A
Nevada	$199	8%	$199	8%	$281	15%	$0	0%	-$82	-7%
New Hampshire	$330	13%	$322	13%	$2	0%	$7	0%	$328	13%
New Jersey	$106	4%	$106	4%	$133	7%	$0	0%	-$27	-3%
New Mexico	$166	7%	$164	7%	$115	6%	$2	0%	$51	1%
New York*	$298	12%	$295	12%	$191	10%	$3	0%	$107	2%
North Carolina	$244	10%	$237	10%	$159	9%	$7	0%	$85	1%
North Dakota	$179	7%	$344	14%	$293	16%	-$165	-7%	-$114	-9%
Ohio	$216	9%	$210	9%	$88	5%	$6	0%	$128	4%
Oklahoma	$189	8%	$189	8%	$146	8%	$0	0%	$43	0%
Oregon	$426	17%	$368	15%	$319	17%	$58	2%	$107	0%
Pennsylvania	$225	9%	$221	9%	$152	8%	$4	0%	$73	1%
Rhode Island	$195	8%	$191	8%	$19	1%	$4	0%	$176	7%
South Carolina	$87	4%	$87	4%	$77	4%	$0	0%	$10	-1%
South Dakota	$352	14%	$344	14%	$365	20%	$8	0%	-$13	-6%
Tennessee	$173	7%	$169	7%	$112	6%	$4	0%	$61	1%
Texas*	$125-$270	5%-11%	$125-$270	5%-11%	$165-$256	9%-14%	$0	0%	-$40-$14	-4%- -3%
Utah	$212	9%	$179	8%	$220	12%	$33	1%	-$8	-3%
Vermont	$309	13%	$281	12%	$123	7%	$28	1%	$186	6%
Virginia	$244	10%	$238	10%	$183	10%	$6	0%	$61	0%
Washington	$192	8%	$197	8%	$87	5%	-$5	0%	$105	3%
West Virginia	$114	5%	$58	2%	$54	3%	$56	2%	$60	2%
Wisconsin	$234	10%	$224	9%	$160	9%	$10	0%	$74	1%
Wyoming	$39	2%	$58	2%	$98	5%	-$19	-1%	-$59	-4%

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

	Monthly fee in 2013		Monthly fee in 2012		Monthly fee in 2001		Change 2012 to 2013		Change 2001 to 2013	
State	As a dollar amount	As a percent of income	As a dollar amount	As a percent of income	As a dollar amount	As a percent of income	In dollar amount	In percent of income	In dollar amount	In percent of income
Alabama	$78	5%	$67	4%	$65	5%	$11	1%	$13	-1%
Alaska	$47	3%	$47	3%	$14	1%	$0	0%	$33	2%
Arizona	$65	4%	$66	4%	$65	5%	-$1	0%	$0	-1%
Arkansas	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
California	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Colorado	$163	10%	$159	10%	$113	9%	$4	0%	$50	1%
Connecticut	$65	4%	$64	4%	$49	4%	$1	0%	$16	0%
Delaware	$120	7%	$120	8%	$55	5%	$0	0%	$65	3%
District of Columbia	$44	3%	$44	3%	$32	3%	$0	0%	$12	0%
Florida*	$130	8%	$130	8%	$69	6%	$0	0%	$61	2%
Georgia	$143	9%	$130	8%	$21	2%	$13	1%	$122	7%
Hawaii	$203	12%	$203	13%	$0	0%	$1	0%	$203	12%
Idaho	$226	14%	$177	11%	$65	5%	$49	3%	$161	9%
Illinois	$82	5%	$59	4%	$65	5%	$23	1%	$17	0%
Indiana*	$81	5%	$82	5%	$0	0%	-$1	0%	$81	5%
Iowa*	$9	1%	$20	1%	$22	2%	-$11	-1%	-$13	-1%
Kansas	$58	4%	$58	4%	$22	2%	$0	0%	$36	2%
Kentucky	$130	8%	$130	8%	$97	8%	$0	0%	$33	0%
Louisiana*	$152	9%	$152	10%	$49	4%	$0	0%	$103	5%
Maine	$95	6%	$126	8%	$97	8%	-$30	-2%	-$2	-2%
Maryland*	$244	15%	$200	13%	$90	7%	$44	2%	$154	8%
Massachusetts	$141	9%	$141	9%	$40	3%	$0	0%	$101	5%
Michigan	$24	1%	$24	2%	$24	2%	$0	0%	$0	0%
Minnesota	$43	3%	$44	3%	$5	0%	-$1	0%	$38	2%
Mississippi*	$88	5%	$88	6%	$47	4%	$0	0%	$41	2%
Missouri	$110	7%	$110	7%	$43	4%	$0	0%	$67	3%
Montana	$81	5%	$64	4%	$49	4%	$17	1%	$32	1%
Nebraska	$63	4%	$61	4%	$30	2%	$2	0%	$33	1%
Nevada	$50	3%	$50	3%	$0	0%	$0	0%	$50	3%
New Hampshire	$130	8%	$127	8%	$0	0%	$3	0%	$130	8%
New Jersey	$78	5%	$77	5%	$71	6%	$1	0%	$7	-1%
New Mexico	$74	5%	$71	4%	$47	4%	$3	0%	$27	1%
New York*	$12	1%	$6	0%	$4	0%	$6	0%	$8	0%
North Carolina	$163	10%	$159	10%	$106	9%	$4	0%	$57	1%
North Dakota	$97	6%	$232	15%	$158	13%	-$135	-9%	-$61	-7%
Ohio	$125	8%	$114	7%	$43	4%	$11	1%	$82	4%
Oklahoma	$132	8%	$132	8%	$54	4%	$0	0%	$78	4%
Oregon	$161	10%	$140	9%	$90	7%	$21	1%	$71	3%
Pennsylvania	$130	8%	$126	8%	$65	5%	$4	0%	$65	3%
Rhode Island	$33	2%	$32	2%	$0	0%	$1	0%	$33	2%
South Carolina	$61	4%	$61	4%	$43	4%	$0	0%	$18	0%
South Dakota	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Tennessee	$113	7%	$113	7%	$39	3%	$0	0%	$74	4%
Texas*	$75-$180	5%-11%	$75-$180	5%-11%	$109-$170	9%-14%	$0	0%	-$34-$10	-4%- -3%
Utah	$16	1%	$15	1%	$36	3%	$1	0%	-$20	-2%
Vermont	$17	1%	$11	1%	$0	0%	$6	0%	$17	1%
Virginia	$162	10%	$159	10%	$122	10%	$3	0%	$40	0%
Washington	$65	4%	$65	4%	$20	2%	$0	0%	$45	2%
West Virginia	$76	5%	$40	3%	$27	2%	$36	2%	$49	2%
Wisconsin	$104	6%	$86	5%	$61	5%	$18	1%	$43	1%
Wyoming	$0	0%	$0	0%	$10	1%	$0	0%	-$10	-1%

NOTES FOR TABLES 3A AND 3B: PARENT COPAYMENTS

For a family of three, an income at 100 percent of poverty was equal to $14,630 a year in 2001, $19,090 a year in 2012, and $19,530 a year in 2013.

For a family of three, an income at 150 percent of poverty was equal to $21,945 a year in 2001, $28,635 a year in 2012, and $29,295 a year in 2013.

For states that calculate their fees as a percentage of the cost of care, it is assumed that the family was purchasing care at the state's maximum reimbursement rate for licensed, non-accredited center care for a four-year-old. Monthly fees were calculated from hourly, daily, and weekly fees assuming the child was in care 9 hours a day, 5 days a week, 4.33 weeks a month.

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

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

Data in the tables for 2013 reflect policies as of February 2013, data in the tables for 2012 reflect policies as of February 2012, and data in the tables for 2001 reflect policies as of June 2001, unless otherwise indicated.

Florida: Local early learning coalitions set their copayments within state guidelines. The copayments in the table reflect the maximum copayment levels allowed under state policy and used by a local coalition.

Indiana: Copayments vary depending on how long the family has been receiving child care assistance, with families paying a higher percentage of income the longer they receive assistance. The copayments shown in the table assume it is the first year the family is receiving assistance.

Iowa: A family with an income at 150 percent of poverty would be eligible for assistance if the family were using special needs care. For this family, the copayment would have been $174 per month in 2012 and 2013. A family with an income at 100 percent of poverty that is using special needs care would have the same copayment as a family using standard care. Also note that the state calculates copayments based on units of care; a unit is a 5-hour block of time, so 9 hours of care, 5 days per week, 4.33 weeks per month would equal 44 units.

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

Maryland: The state determines copayments based on maximum state reimbursement rates in the region where the family lives.

Mississippi: For children in foster care or protective services and children receiving SSI benefits, the copayment is $10 per month.

Nebraska: A family with an income at 150 percent of poverty would be eligible if the family were transitioning from TANF. This family's copayment would have been $185 per month in 2012 and $190 per month in 2013.

New York: Local social services districts set their copayments within a state-specified range; the copayments in the table reflect the maximum amount allowed in that range. Also note that data are not available for June 2001, so data from March 2000 are used instead.

Texas: Local workforce development boards set their copayments within state guidelines. The copayments in the table reflect the range of copayments set by boards. Also note that parents participating in the TANF Work Program and the SNAP Employment and Training program are exempt from the copayment.

TABLE 4A: STATE REIMBURSEMENT RATES IN 2013

State	State reimbursement rates compared to market rates	Year when reimbursement rates last changed	If state rate is lower than rate provider charges, is provider allowed to charge parents the difference?
Alabama	12th-51st percentile of 2009 rates	2009	Yes
Alaska*	50th-75th percentile of 2009 rates	2010	Yes
Arizona*	75th percentile of 2000 rates	2009	Yes
Arkansas*	75th percentile of 2007 rates	2007	Yes, for certified
California	85th percentile of 2005 rates	2006	Yes
Colorado*	Locally determined	Varies by locality	No
Connecticut	65th percentile of 2001 rates	2002	Yes
Delaware*	50 cents/day above 65% of the 75th percentile of 2011 rates	2011	Yes
District of Columbia	75th percentile of 2001 rates	2006	No
Florida*	Locally determined	Varies by locality	Yes
Georgia	50th percentile of 2005 rates	2006	Yes
Hawaii*	At or below the 75th percentile of 2009 rates	2008/2010	Yes
Idaho	75th percentile of 2001 rates	2001	Yes
Illinois*	25th-100th percentile of 2010 rates	2012/2013	Yes, unless contracted
Indiana	72nd percentile of 2009 rates	2009	Yes
Iowa	Two 2% increases above the 75th percentile of 2004 rates	2013	No
Kansas	65th percentile of 2000 rates	2002	Yes
Kentucky	68th percentile of 2005 rates	2006	Yes
Louisiana*	15th-40th percentile of 2010 rates	2007	Yes
Maine*	50th percentile of 2011 rates	2011	No
Maryland	51st percentile of 2005 rates	2010	Yes
Massachusetts*	3rd-43rd percentile of 2010/2011 rates	2009	No
Michigan*	7th-86th percentile of 2011 rates	2009	Yes
Minnesota*	20th-28th percentile of 2012 rates	2011	Yes
Mississippi*	36th-75th percentile of 2009 rates	2007	Yes
Missouri*	33rd percentile of 2008 rates	2008	Yes
Montana	75th percentile of 2009 rates	2009	Yes
Nebraska*	50th percentile of 2011 rates	2011	No
Nevada	15th-65th percentile of 2011 rates	2004	Yes
New Hampshire*	50th percentile of 2009 rates	2011	Yes
New Jersey*	Below the 75th percentile of 2010 rates	2009	Yes, unless contracted
New Mexico*	Above or below the 75th percentile of 2011 rates	2012	No
New York	75th percentile of 2011 rates	2011	Yes
North Carolina*	Below the 75th percentile of 2007 rates	2007	Yes
North Dakota*	75th percentile of 2011 rates	2012	Yes
Ohio*	26th percentile of 2010 rates	2011	No
Oklahoma*	23rd-72nd percentile of 2010 rates	2009	No
Oregon	75th percentile of 2006 rates	2007	Yes
Pennsylvania*	19th-31st percentile of 2012 rates	2013	Yes
Rhode Island	75th percentile of 2002/2004 rates	2008	No
South Carolina	50th-75th percentile of 2011 rates	2007	Yes
South Dakota*	75th percentile of 2011 rates	2012	Yes
Tennessee	60th percentile of 2012 rates	2008	Yes
Texas*	17th-75th percentile of 2012 rates	Varies by locality	Yes
Utah	65th percentile of 2011 rates	2012	Yes
Vermont*	At or below the 75th percentile of 2008 rates	2010	Yes
Virginia	At least the 30th percentile of 2009-2010 rates	2013	Yes
Washington*	11th-71st percentile of 2012 rates	2008	No
West Virginia*	20th-85th percentile of 2013 rates	2009	No
Wisconsin*	Below the 75th percentile of 2005 rates	2012	Yes
Wyoming*	Below the 75th percentile of 2007 rates	2012	Yes

TABLE 4B: STATE REIMBURSEMENT RATES COMPARED TO THE 75TH PERCENTILE OF CURRENT MARKET RATES IN 2013, 2012, AND 2001

	Rates equal to or above the 75th percentile of current market rates….		
State	In 2013?	In 2012?	In 2001?
Alabama	No	No	Yes
Alaska*	No	No	No
Arizona	No	No	No
Arkansas	No	No	Yes
California	No	No	Yes
Colorado*	No	No	Yes
Connecticut	No	No	No
Delaware	No	No	No
District of Columbia	No	No	No
Florida*	No	No	Yes
Georgia	No	No	No
Hawaii	No	No	No
Idaho	No	No	Yes
Illinois*	No	No	No
Indiana	No	No	Yes
Iowa	No	No	No
Kansas	No	No	No
Kentucky	No	No	Yes
Louisiana	No	No	Yes
Maine	No	No	Yes
Maryland	No	No	Yes
Massachusetts	No	No	No
Michigan	No	No	No
Minnesota	No	No	Yes
Mississippi*	No	No	Yes
Missouri	No	No	No
Montana*	No	No	No
Nebraska	No	No	No
Nevada	No	No	Yes
New Hampshire	No	No	No
New Jersey*	No	No	No
New Mexico*	No	No	No
New York	Yes	Yes	Yes
North Carolina*	No	No	No
North Dakota*	Yes	No	Yes
Ohio	No	No	No
Oklahoma	No	No	No
Oregon	No	No	No
Pennsylvania	No	No	No
Rhode Island	No	No	Yes
South Carolina	No	No	No
South Dakota*	Yes	No	Yes
Tennessee	No	No	No
Texas*	No	No	Yes
Utah	No	No	No
Vermont*	No	No	No
Virginia	No	No	No
Washington	No	No	No
West Virginia*	No	No	Yes
Wisconsin	No	No	Yes
Wyoming	No	No	Yes

TABLE 4C: STATE REIMBURSEMENT RATE AMOUNT IN 2013 COMPARED TO MARKET RATE AMOUNT FOR CHILD CARE CENTERS

		Center care for a four-year-old					Center care for a one-year-old				
State	City/county/region*	Monthly state reimbursement rate	75th percentile of market rate	Year of market rate	Difference between state rate and 75th percentile	Percentage difference between state rate and 75th percentile	Monthly state reimbursement rate	75th percentile of market rate	Year of market rate	Difference between state rate and 75th percentile	Percentage difference between state rate and 75th percentile
Alabama	Birmingham Region	$442	$563	2011	-$121	-22%	$481	$628	2011	-$147	-23%
Alaska	Anchorage	$650	$825	2011	-$175	-21%	$850	$900	2011	-$50	-6%
Arizona	Maricopa County (Phoenix)	$515	$888	2012	-$372	-42%	$576	$1,083	2012	-$507	-47%
Arkansas	Pulaski County	$457	$468	2011	-$11	-2%	$552	$552	2011	$0	0%
California	Los Angeles County	$744	$935	2012	-$191	-20%	$1,029	$1,404	2012	-$375	-27%
Colorado	Denver	$591	$996	2011	-$405	-41%	$737	$1,207	2011	-$470	-39%
Connecticut	North Central Region	$650	$1,065	2012	-$416	-39%	$818	$1,299	2012	-$481	-37%
Delaware	New Castle County	$574	$866	2011	-$292	-34%	$622	$940	2011	-$318	-34%
District of Columbia	Citywide	$909	$1,409	2012	-$500	-35%	$1,178	$1,829	2012	-$651	-36%
Florida	Miami-Dade County	$403	$541	2011	-$139	-26%	$442	$606	2011	-$165	-27%
Georgia*	Zone 1	$493	$728	2011	-$235	-32%	$602	$866	2011	-$264	-31%
Hawaii	Statewide	$675	$765	2012	-$90	-12%	$1,395	$1,375	2012	$20	1%
Idaho*	Region IV (Boise Metro Area)	$492	$585	2011	-$93	-16%	$594	$645	2011	-$51	-8%
Illinois*	Group 1A Counties	$708	$974	2010	-$266	-27%	$1,007	$1,299	2010	-$292	-23%
Indiana	Marion County	$693	$792	2011	-$99	-13%	$814	$905	2011	-$91	-10%
Iowa*	Statewide	$572	$726	2012	-$154	-21%	$710	$862	2012	-$153	-18%
Kansas	Sedgwick County	$444	$625	2010	-$181	-29%	$661	$740	2010	-$80	-11%
Kentucky	Central Region	$466	$585	2013	-$119	-20%	$532	$650	2013	-$118	-18%
Louisiana	Statewide	$379	$520	2012	-$141	-27%	$401	$585	2012	-$184	-31%
Maine	Cumberland County	$810	$867	2011	-$57	-7%	$1,018	$1,049	2011	-$31	-3%
Maryland*	Region W	$532	$815	2013	-$283	-35%	$844	$1,190	2013	-$345	-29%
Massachusetts	Boston	$795	$1,299	2010-2011	-$504	-39%	$1,181	$1,710	2010-2011	-$529	-31%
Michigan*	Statewide	$433	$974	2011	-$541	-56%	$650	$1,000	2011	-$350	-35%
Minnesota*	Hennepin County	$838	$1,104	2012	-$266	-24%	$1,126	$1,464	2012	-$338	-23%
Mississippi	Statewide	$339	$390	2011	-$51	-13%	$375	$433	2011	-$58	-13%
Missouri	St. Louis Metropolitan Area	$348	$866	2012	-$518	-60%	$596	$1,083	2012	-$487	-45%
Montana	Billings Region	$624	$650	2011	-$26	-4%	$714	$736	2011	-$22	-3%
Nebraska*	Urban Counties	$671	$844	2013	-$173	-20%	$812	$909	2013	-$97	-11%
Nevada	Clark County	$498	$760	2011	-$262	-34%	$606	$860	2011	-$254	-30%
New Hampshire*	Statewide	$712	$823	2011	-$110	-13%	$853	$953	2011	-$99	-10%
New Jersey	Statewide	$573	$974	2010	-$401	-41%	$695	$1,127	2010	-$432	-38%
New Mexico*	Metropolitan Counties	$440	$637	2011	-$197	-31%	$521	$707	2011	-$186	-26%
New York	New York City	$940	$940	2011	$0	0%	$1,429	$1,429	2011	$0	0%
North Carolina*	Mecklenburg County	$670	$888	2011	-$218	-25%	$737	$1,040	2011	-$303	-29%
North Dakota*	Statewide	$565	$565	2011	$0	0%	$663	$663	2011	$0	0%
Ohio*	Cuyahoga County (Cleveland)	$569	$740	2012	-$172	-23%	$713	$966	2012	-$253	-26%
Oklahoma*	Enhanced Area Counties	$438	$584	2012	-$146	-25%	$601	$723	2012	-$122	-17%
Oregon*	Group Area A	$705	$920	2012	-$215	-23%	$900	$1,205	2012	-$305	-25%
Pennsylvania*	Philadelphia	$707	$758	2012	-$51	-7%	$902	$909	2012	-$8	-1%
Rhode Island	Statewide	$680	$827	2011	-$147	-18%	$814	$985	2011	-$171	-17%
South Carolina	Statewide Urban Counties	$476	$556	2011	-$80	-14%	$528	$624	2011	-$96	-15%
South Dakota*	Minnehaha County (Sioux Falls)	$643	$643	2011	$0	0%	$731	$731	2011	$0	0%
Tennessee*	Top Tier Counties	$515	$606	2012	-$91	-15%	$598	$714	2012	-$117	-16%
Texas	Gulf Coast Area	$507	$632	2012	-$124	-20%	$713	$750	2012	-$38	-5%
Utah*	Statewide	$480	$585	2011	-$105	-18%	$620	$832	2011	-$212	-25%
Vermont*	Statewide	$561	$866	2012	-$305	-35%	$594	$974	2012	-$380	-39%
Virginia	Fairfax County	$1,018	$1,516	2011-2012	-$498	-33%	$1,212	$1,745	2011-2012	-$533	-31%
Washington*	Region 4 (King County)	$673	$1,117	2012	-$444	-40%	$802	$1,358	2012	-$556	-41%
West Virginia	Statewide	$498	$563	2013	-$65	-12%	$606	$650	2013	-$43	-7%
Wisconsin*	Milwaukee County/Dane County	$740	$897	2010	-$157	-17%	$955	$1,152	2010	-$197	-17%
Wyoming*	Statewide	$530	$598	2010	-$68	-11%	$594	$649	2010	-$55	-8%

TABLE 4D: STATE TIERED REIMBURSEMENT RATES FOR CENTER CARE FOR A FOUR-YEAR-OLD IN 2013

State	City/county/region*	Number of tier levels (including base rate)	Reimbursement rate for lowest tier	Reimbursement rate for highest tier	Reimbursement rates between highest and lowest tiers	Difference between highest and lowest tiers	Percentage difference between highest and lowest tiers	75th percentile of market rate	Difference between rate at highest tier and 75th percentile	Percentage difference between rate at highest tier and 75th percentile
Alabama										
Alaska										
Arizona	Maricopa County (Phoenix)	2	$515	$567	N/A	$52	10%	$888	-$321	-36%
Arkansas										
California										
Colorado*	Denver	6	$591	$791	$633, $658, $723, $757	$200	34%	$996	-$205	-21%
Connecticut	North Central Region	2	$650	$682	N/A	$32	5%	$1,065	-$383	-36%
Delaware*	New Castle County	4	$574	$866	$693, $779	$292	51%	$866	$0	0%
District of Columbia	Citywide	3	$632	$909	$771	$277	44%	$1,409	-$500	-35%
Florida*	Miami-Dade County	2	$403	$483	N/A	$81	20%	$541	-$58	-11%
Georgia*										
Hawaii*	Statewide	2	$675	$710	N/A	$35	5%	$765	-$55	-7%
Idaho										
Illinois*	Group 1A Counties	5	$708	$850	$744, $779, $815	$142	20%	$974	-$124	-13%
Indiana	Marion County	2	$693	$762	N/A	$69	10%	$792	-$30	-4%
Iowa										
Kansas										
Kentucky*	Central Region	4	$455	$516	See notes	$61	13%	$585	-$68	-12%
Louisiana*	Statewide	5	$379	$455	$390, $409, $430	$76	20%	$520	-$65	-13%
Maine*	Cumberland County	4	$810	$891	$826, $850	$81	10%	$867	$24	3%
Maryland*	Region W	4	$532	$671	$585, $633	$139	26%	$815	-$144	-18%
Massachusetts*										
Michigan										
Minnesota*	Hennepin County	2	$838	$964	N/A	$126	15%	$1,104	-$140	-13%
Mississippi*	Statewide	5	$312	$424	See notes	$111	36%	$390	$34	9%
Missouri	St. Louis Metropolitan Area	2	$348	$417	N/A	$70	20%	$866	-$449	-52%
Montana	Billings Region	5	$624	$748	$655, $686, $717	$125	20%	$650	$98	15%
Nebraska*	Urban Counties	2	$671	$736	N/A	$65	10%	$844	-$108	-13%
Nevada*	Clark County	4	$498	$558	$528, $543	$60	12%	$760	-$202	-27%
New Hampshire										
New Jersey	Statewide	2	$573	$604	N/A	$31	5%	$974	-$370	-38%
New Mexico*	Metropolitan Counties	4	$440	$572	$510, $545	$132	30%	$719	-$147	-20%
New York*	New York City	2	$940	$1,081	N/A	$141	15%	$940	$141	15%
North Carolina*	Mecklenburg County	5	$477	$702	$501, $641, $670	$225	47%	$923	-$221	-24%
North Dakota										
Ohio	Cuyahoga County (Cleveland)	4	$569	$678	$610, $649	$109	19%	$740	-$62	-8%
Oklahoma*	Enhanced Area Counties	4	$292	$487	$373, $438	$195	67%	$584	-$97	-17%
Oregon										
Pennsylvania*	Philadelphia	5	$707	$796	$714, $727, $764	$89	13%	$758	$38	5%
Rhode Island										
South Carolina	Statewide Urban Counties	5	$390	$624	$455, $476, $580	$234	60%	$556	$68	12%
South Dakota										
Tennessee*	Top Tier Counties	4	$429	$515	$450, $494	$87	20%	$606	-$91	-15%
Texas	Gulf Coast Workforce	2	$507	$533	N/A	$25	5%	$632	-$99	-16%
Utah										
Vermont	Statewide	6	$561	$786	$589, $617, $673, $730	$224	40%	$866	-$80	-9%
Virginia										
Washington*										
West Virginia	Statewide	3	$498	$585	$541	$87	17%	$563	$22	4%
Wisconsin*	Milwaukee County/Dane County	4	$740	$974	$779, $818	$234	32%	$897	$77	9%
Wyoming										

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

State reimbursement rates are compared to the 75th percentile of market rates (the rate designed to allow families access to 75 percent of providers in their community) because federal regulations recommend that rates be set at this level.

A state is considered to have rates that were based on current market prices if the market survey used to set its rates was conducted no more than two years earlier (so, for example, rates used in 2013 are considered current if set at the 75th percentile of 2011 or more recent market rates).

States were asked to report reimbursement 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 reimbursement rates and the 75th percentile were calculated using raw data, rather than the rounded numbers shown in the table.

For states that pay higher rates for higher-quality care, the most common rate level (the level representing the greatest number of providers) for each state is used for the data analysis in Tables 4a, 4b, and 4c, unless otherwise indicated. The rates analyzed in the tables do not reflect other types of higher rates or rate enhancements, such as higher rates paid for care for children with special needs or care during non-traditional hours.

Data in the tables for 2013 reflect policies as of February 2013, data in the tables for 2012 reflect policies as of February 2012, and data in the tables for 2001 reflect policies as of June 2001, unless otherwise indicated. Certain changes in policies since February 2013 are noted below.

Alaska: Reimbursement rates are set at the 75th percentile of market rates for infant and toddler care and at the 50th percentile for all other categories of care.

Arizona: Reimbursement rates were set at the 75th percentile of 2000 market rates in 2006. On July 1, 2007, the state implemented a 5 percent increase in rates. On April 1, 2009, the state reversed this 5 percent increase and rates reverted to the level at which they had been set in 2006.

Arkansas: Only Better Beginnings certified facilities (formerly known as quality approved providers) are allowed to charge parents the difference between the state reimbursement rate and the rate charged to private-paying parents.

Colorado: Counties determine their reimbursement rates and whether to offer higher rates for higher-quality care.

Delaware: Providers are allowed to charge parents the difference between the state reimbursement rate and the private-pay rate under the Purchase of Care Plus option. Also note that the state has five quality rating levels, but only four different reimbursement rate tiers; providers at both quality level one and quality level two receive the base rate.

Florida: Local early learning coalitions set their reimbursement rates. 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.

Georgia: Zone 1 includes Camden, Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Henry, Paulding, and Rockdale Counties. Also note that the state began providing higher reimbursement rates to higher-quality providers as of July 1, 2013; one-star programs receive a 2 percent bonus, two-star programs receive a 5 percent bonus, and three-star programs receive a 10 percent bonus.

Hawaii: Reimbursement rates were last updated for licensed care in 2008 and for license-exempt care in 2010. Also note that the state has higher reimbursement rates for accredited center-based care for children over age 24 months through the time the children are eligible to enroll in kindergarten or junior kindergarten (usually age five by the end of the calendar year, depending on the child's birth date). The state does not have accredited rates for care for infants and toddlers or for family child care.

Idaho: Region IV includes Ada, Boise, Elmore, and Valley Counties.

Illinois: Reimbursement rates are not based on a percentile of market rates. Rates vary by the age of the child, type of care, and region of the state. Rates generally range from below the 25th percentile to above the 50th percentile of market rates, and in some areas of the state, exceed the 100th percentile. In January 2012, the state increased rates for child care centers and family child care providers and in January 2013, the state increased rates again for family child care providers, but not for child care centers. Reimbursement rates are reported for the Metropolitan Region (referred to as Group 1A), which includes Cook, DeKalb, DuPage, Kane, Kendall, Lake, and McHenry Counties. Also note that a provider that has a contract with the state is not permitted to ask families to pay the difference between the state reimbursement rate and the rate charged to private-paying parents.

Iowa: The state calculates reimbursements based on units of care. A unit is a 5-hour block of time. The rates shown in the table are calculated assuming that if a family is using 9 hours of care, 5 days per week, 4.33 weeks per month, this would translate into 2 units of care per day for 22 days per month, or 44 units per month.

Kentucky: The state has four star levels. The amount of the bonus at each star level—for four-year-olds, $7 to $11 per month for two-star providers, $11 to $15 per month for three-star providers, and $14 to $18 per month for four-star providers—depends on the percentage of children served by the provider who are receiving child care assistance. For all levels, a licensed or certified provider may receive, to the extent funds are available, $2 per day beyond the maximum rate if the provider is accredited. The highest rate shown in Table 4d assumes that the provider receives the maximum allowable bonus at the four-star level and is accredited.

Louisiana: Reimbursement rates are below the 50th percentile of market rates for most age groups and types of care; reimbursement rates for center care for infants, toddlers, and preschoolers are at the 15th percentile. Rates were last updated as of January 2007, except for the addition of rates for military providers on October 30, 2009. Also note that bonuses for higher-quality care are paid quarterly.

Maine: Tiered rates were temporarily increased—from 2 percent to 5 percent above the base rate for Step 2, from 5 percent to 10 percent above the base rate for Step 3, and from 10 percent to 25 percent above the base rate for Step 4—as of July 2010. The tiered rates reverted to the previous, lower levels shown in the table as of July 30, 2011. Providers at Step 2 and Step 3 only receive the bonus for the first 12 months after achieving that quality level; providers at Step 4 receive the bonus on an ongoing basis. Also note that as of October 2013, the state planned to update its reimbursement rates to the 50th percentile of 2013 market rates.

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

Massachusetts: Reimbursement rates are between the 3rd and 31st percentile of market rates for center-based care and between the 3rd and 43rd percentile for family child care. Also note that as of November 2012, the state began paying higher rates (3 percent above the base rate) for center-based and family child care at Level 2 or above in the state quality rating and improvement system for children up to 2.9 years old.

Michigan: In October 2011, reimbursement rates for legally exempt family child care providers at Tier 1 (providers that do not complete the additional training required to achieve Tier 2) were reduced. Reimbursement rates for other types of providers remained the same. Also note that monthly rates were calculated based on hourly rates and taking into account that the state reimburses providers for a maximum of 80 hours in a two-week period.

Minnesota: The reimbursement rates in the table reflect that as of November 28, 2011, the state reduced rates for licensed child care by 2.5 percent; in addition, the state reduced reimbursement rates for legally exempt family child care from 80 percent to 68 percent of rates for licensed family child care providers. Reimbursement rates for licensed centers are at approximately the 23rd percentile of market rates statewide (20th percentile in non-metropolitan counties and 25th percentile in metropolitan area counties). Reimbursement rates for licensed family child care are at approximately the 26th percentile of market rates statewide (28th percentile in non-metropolitan counties and 22nd percentile in metropolitan area counties).

Mississippi: Reimbursement rates for licensed centers are at the 51st percentile of market rates for infants, 49th percentile for toddlers, 56th percentile for preschoolers, 62nd percentile for school-age care during the summer, and 75th percentile for special needs care. Reimbursement rates for family child care are at the 36th percentile for infants, 65th percentile for toddlers, 64th percentile for preschoolers, 75th percentile for school-age care during the summer, and 42nd percentile for special needs care. Also note that the state has two separate tiers for providers: Tier 2 for those meeting basic licensing/regulatory requirements and Tier 1 for those that are accredited or have a director who meets certain educational and/or experience criteria; Tier 1 providers receive a higher rate. In addition, the state has a five-star quality rating and improvement system that provides bonuses equal to 7 percent of the total payment for two-star centers, 17 percent for three-star centers, 22 percent for four-star centers, and 25 percent for five-star centers. The highest rate shown in Table 4d assumes that the provider qualifies for the Tier 1 rate level and five-star bonus.

Missouri: The state does not allow parents involved in the protective services system to be asked to pay the difference between the state reimbursement rate and the rate providers charge private-paying parents.

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

Nebraska: Urban counties includes Lancaster, Dakota, Douglas, and Sarpy Counties. Also note that as of July 2013, the state increased reimbursement rates to the 60th percentile of 2013 market rates.

Nevada: The state began implementing its Silver Stars quality rating and improvement system as of July 2012 for Clark County and July 2013 for the rest of the state. The system has five quality levels, but only four separate reimbursement rate levels (the lowest two levels both receive the same base rate). Previously, the state had two separate rate levels—the base rate and a rate for accredited centers that was 15 percent above the base rate. The state no longer has a separate rate for accredited centers.

New Hampshire: As of July 2013, the state updated its reimbursement rates to the 50th percentile of 2011 rates.

New Jersey: The percentile of the market rate at which reimbursement rates are set depends on the age of the child and category of care. Also note that centers that have direct contracts with the state are not permitted to ask families receiving child care assistance to pay the difference between the state reimbursement rate and the rate charged to private-paying parents. Data on policies as of 2001 are not available, so policies as of March 2000 are used instead.

New Mexico: Reimbursement rates range from 25 percent below the 75th percentile of market rates (for five-star family child care for toddlers in metropolitan counties) to 10 percent above the 75th percentile (for five-star family child care for infants in rural counties). In August 2007, base reimbursement rates were increased for all licensed centers and group child care homes, and differential rates for four-star and five-star providers were increased as well. Reimbursement rates were reduced in November 2010, and then restored to previous levels in January 2012. As of July 2012, the two-star reimbursement rate level became the base rate, and the one-star rate level was eliminated. Also note that the state's market rate survey differentiates between quality levels and the 75th percentile of market rates is obtained for providers at each quality level; in Table 4c, the reimbursement rate for the most common rate level is compared to the 75th percentile for that same quality level, and in Table 4d, the reimbursement rate for the highest quality level is compared to the 75th percentile for that quality level.

New York: Local social services districts may set reimbursement rates for accredited programs that are up to 15 percent higher than base reimbursement rates.

North Carolina: The state's market rate survey differentiates between quality levels and the 75th percentile of market rates is obtained for providers at each quality level. Reimbursement rates were increased on October 1, 2007, for three-, four-, and five-star licensed facilities if the market rate survey data supported a change, but were not brought up to the 75th percentile of 2007 market rates. Rates for one- and two-star licensed facilities are based on 2003 market rate survey data. In Table 4c, the reimbursement rate for the most common rate level is compared to the 75th percentile for that same quality level. In Table 4d, the reimbursement rate for the highest quality level is compared to the 75th percentile for that quality level.

North Dakota: The reimbursement rates in the table reflect that the state increased its rates to the 75th percentile of 2011 market rates as of October 2012.

Ohio: The reimbursement rates in the table reflect that the state reduced its rates to the 26th percentile of 2008 market rates as of July 31, 2011.

Oklahoma: Most reimbursement rates are between the 23rd and 72nd percentile of market rates, depending on the type of care, age of the child, geographic region, and quality rating of the provider. Enhanced Area Rates apply to 19 out of 77 counties in the state (Caddo, Canadian, Cherokee, Cleveland, Comanche, Creek, Garfield, Kay, Logan, McCurtain, Oklahoma, Ottawa, Payne, Pittsburg, Pottawatomie, Tulsa, Wagoner, Washington, and Woods).

Oregon: Group Area A includes the Ashland, Bend, Corvallis, Eugene, Monmouth, and Portland areas.

Pennsylvania: As of January 2013, the state lowered the base reimbursement rate for centers with no star rating. The rates for one-star providers, which previously were reimbursed at the base level, and for two-star providers were not changed. The rates for three- and four-star providers were increased. As of August 2013, rates for three- and four-star providers were increased again.

South Dakota: The reimbursement rates in the table reflect that the state updated its rates from the 75th percentile of 2009 market rates to the 75th percentile of 2011 market rates as of July 1, 2012.

Tennessee: Top Tier Counties are those with the 20 highest average populations in 2007 and/or 20 highest per capita incomes in 2005-2007. These counties include: Anderson, Blount, Bradley, Cheatham, Coffee, Davidson, Fayette, Greene, Hamilton, Knox, Loudon, Madison, Maury, Montgomery, Putnam, Roane, Robertson, Rutherford, Sevier, Shelby, Sullivan, Sumner, Washington, and Williamson.

Texas: Local workforce development boards determine and update reimbursement rates at their own discretion. Average rates across board areas range from the 17th to 75th percentile of market rates. Eleven of the 28 boards have updated reimbursement rates in at least one category of care within the last two years; the Gulf Coast Workforce Development Area last updated its reimbursement rates in 2010. Also note that providers are allowed to ask parents to pay the difference between the reimbursement rate and the private-pay rate, unless specifically prohibited by the local board or when the parent is exempt from having to pay a copayment or the parent's copayment is calculated to be zero.

Utah: The reimbursement rates in the table reflect that the state increased its rates as of July 2012.

Vermont: Reimbursement rates are below the 75th percentile of 2008 market rates for one- to three-star providers, at the 75th percentile of 2008 market rates for four-star providers, and above the 75th percentile of 2008 market rates for five-star providers. Also note that as of November 2013, the state will increase rates by 3 percent.

Washington: As of September 2013, the state increased reimbursement rates by 2 percent. Prior to that, rates were last updated in 2008, with the exception of the addition of an enhanced toddler rate for licensed family child care as of July 1, 2009. As of September 2013, the state also implemented a new tiered reimbursement system for higher-quality providers; rates for providers at level 2 or higher of the state's five-level quality rating and improvement system are 2 percent above the base rate.

West Virginia: The percentile of the market rate for reimbursement rates varies by the type of care, age of the child, and quality tier. Also note that policies as of 2001 are not available, so policies as of March 2000 are used instead.

Wisconsin: The rates in the table reflect that as of July 2012, providers at the two-star level receive a rate that is 5 percent lower than the previous base rate; providers at the three-star level receive a rate that is at the previous base rate; and providers at the four-star level receive a rate that is 5 percent higher than the previous base rate. Providers at the five-star level received a rate that was 10 percent higher than the previous base rate from July 2012 until January 2013, when the rate was increased to 25 percent above the previous base rate. (Providers at the one-star level are not eligible for reimbursement for serving children who receive child care assistance).

Wyoming: The reimbursement rates in the table reflect that the state reduced its reimbursement rates as of July 2012. Prior to that, rates had last been updated in 2007.

TABLE 5: ELIGIBILITY FOR CHILD CARE ASSISTANCE WHILE PARENTS SEARCH FOR A JOB IN 2013

	Parents receiving child care assistance when they lose a job		Parents applying for child care assistance while searching for a job	
State	Can they continue receiving assistance?	For how much time?	Can they qualify for assistance?	For how much time?
Alabama	No	N/A	No	N/A
Alaska*	Yes	80 hours	Yes	80 hours
Arizona*	Yes	60 days	No	N/A
Arkansas*	Yes	45 days	No	N/A
California*	Yes	60 days	Yes	60 days
Colorado	Yes	30 days	Yes	30 days
Connecticut*	Yes	Until end of following month	No	N/A
Delaware	Yes	3 months	No	N/A
District of Columbia*	Yes	3 months	No	N/A
Florida*	Yes	30 days	No	N/A
Georgia*	Yes	8 weeks	No	N/A
Hawaii*	Yes	30 days	Yes	30 days
Idaho*	Yes	Until end of month	No	N/A
Illinois*	Yes	30 days	No	N/A
Indiana*	Yes	13 weeks	No	N/A
Iowa*	Yes	30 days	Yes	30 days
Kansas*	Yes	Until end of month	No	N/A
Kentucky	Yes	4 weeks	No	N/A
Louisiana	No	N/A	No	N/A
Maine*	Yes	2 months	No	N/A
Maryland*	Yes	30 days	No	N/A
Massachusetts*	Yes	8 weeks	Yes	8 weeks
Michigan	No	N/A	No	N/A
Minnesota*	Yes	240 hours	Yes	240 hours
Mississippi*	Yes	60 days	Yes	60 days
Missouri*	Yes	30 days	No	N/A
Montana*	Yes	30 days	No	N/A
Nebraska	Yes	2 months	Yes	2 months
Nevada*	Yes	2 weeks	Yes	2 weeks
New Hampshire*	Yes	40 days	Yes	40 days
New Jersey*	Yes	90 days	No	N/A
New Mexico*	Yes	30 days	No	N/A
New York*	Yes	4 weeks	Locally determined	See notes
North Carolina*	Yes	30 days	No	N/A
North Dakota*	Yes	8 weeks	Yes	8 weeks
Ohio*	Yes	30 days	No	N/A
Oklahoma*	Yes	30 days	No	N/A
Oregon*	Yes	Until end of month	No	N/A
Pennsylvania*	Yes	30 days	No	N/A
Rhode Island*	Yes	21 days	No	N/A
South Carolina	Yes	30 days	No	N/A
South Dakota*	Yes	30 days	No	N/A
Tennessee	Yes	30 days	Yes	30 days
Texas*	Yes	4 weeks	No	N/A
Utah*	Yes	150 hours	Yes	150 hours
Vermont*	Yes	4 weeks	Yes	4 weeks
Virginia	No	N/A	No	N/A
Washington*	Yes	56 days	No	N/A
West Virginia	Yes	30 days	No	N/A
Wisconsin	Yes	Until end of month	No	N/A
Wyoming	No	N/A	No	N/A

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

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

Data in the tables reflect policies as of February 2013. Certain changes in policies since February 2013 are noted below.

Alaska: Parents can receive child care assistance while searching for a job for up to 80 hours per year.

Arizona: Parent receiving child care assistance can continue to receive it while searching for a job for up to two 30-day periods or one 60-day period, beginning after the last day worked, in each 12-month period.

Arkansas: In addition to the 45 days parents may continue to receive child care assistance while searching for a job, a one-time extension of 15 consecutive calendar days may be granted if needed to secure employment. The state changed its policy as of July 2012 to no longer allow parents to qualify for child care assistance while searching for a job.

California: Parents can receive child care assistance while searching for a job for up to 60 working days during the contract period, for no more than 5 days per week and less than 30 hours per week.

Connecticut: Parents receiving child care assistance can continue to receive it until the end of the month following the month of a job loss if they are actively seeking another job and payment is needed to prevent the loss of a slot in a school-based or licensed child care program and the child continues to attend care.

District of Columbia: Parents receiving child care assistance can continue to receive it for up to 3 months from the effective date of employment termination if they lost a job due to a reduction in force by the employer and through no fault of the employee.

Florida: Local early learning coalitions, which administer the child care assistance program, may seek a waiver to the 30-day time limit and allow parents to continue to receive child care assistance while searching for a job for up to 60 or 90 days.

Georgia: Parents receiving child care assistance who lose their jobs due to company closings or layoffs can continue to receive child care assistance for up to 8 weeks per occurrence. After the 8-week time period, a parent's case may be suspended for up to 12 weeks. Parents must be receiving state unemployment benefits in order to continue receiving child care assistance while searching for a job.

Hawaii: Parents receiving child care assistance can continue to receive it for up to 30 consecutive days from the date that they lose a job. Parents can also qualify to receive child care assistance for up to 30 consecutive days while searching for a job.

Idaho: Parents searching for a new job can continue to receive child care assistance through the end of the month in which they lost their previous job.

Illinois: Parents receiving child care assistance can continue to receive it while searching for a job for up to 30 consecutive days, beginning with the parent's last day of work or school. Parents can receive child care assistance while searching for a job for up to three 30-day periods in a 12-month period. Parents are eligible for assistance for the same number of days or hours of child care per month while searching for a job as was originally approved.

Indiana: Parents receiving child care assistance can continue to receive it while searching for a job for up to 13 weeks per year.

Iowa: Parents can receive child care assistance while searching for a job for up to 30 consecutive days, once within a 12-month period.

Kansas: Parents receiving child care assistance must report the loss of a job within 10 days, and the caseworker must provide 10 days' notice that the case will be closed. Cases always close the last day of the month.

Maine: Parents receiving child care assistance can continue to receive it while searching for a job for up to 2 months within a 6-month period, for up to 20 hours per week.

Maryland: Parents receiving child care assistance can continue to receive it while searching for a job for up to 30 consecutive days.

Massachusetts: Parents receiving child care assistance may be allowed to continue receiving it while searching for a job for an additional 4 weeks (on top of the initial 8 weeks allowed within a 52-week period) if there are extraordinary circumstances.

Minnesota: Parents can receive child care assistance while searching for a job for up to 240 hours per calendar year.

Mississippi: Parents can receive child care assistance while searching for a job for up to 60 days from the last date of employment.

Missouri: Parents receiving child care assistance can continue to receive it for up to 30 days after losing employment, twice per calendar year.

Montana: Parents receiving child care assistance can continue to receive it for up to 30 calendar days following the loss of a job. Parents must report a change in employment status within 10 days.

Nevada: Parents can receive child care assistance while searching for a job for up to 2 weeks in a 12-month calendar year. If child care assistance is provided for at least one day, the entire week is counted toward this limit. Child care assistance is only provided while a parent searches for a job for a child who is not attending school.

New Hampshire: Parents can receive child care assistance while searching for a job for part time (up to 30 hours per week) for up to 40 days in a 6-month period.

New Jersey: Parents receiving child care assistance can continue to receive it after losing a job for up to 90 days from the date of a layoff notice. Parents cannot receive child care assistance while searching for a job if they voluntarily quit employment.

New Mexico: Parents receiving child care assistance can continue to receive it while searching for a job for up to 30 calendar days immediately following the loss of employment or graduation from high school or undergraduate school.

New York: Local social services districts may allow parents receiving assistance to continue to receive it while searching for a job for up to 2 weeks, or 4 weeks if child care arrangements would be lost if child care assistance was not continued. Local districts may also choose to allow parents to qualify or continue to receive child care assistance while searching for a job for up to 6 months if the district has funds available. Child care assistance is only provided for the portion of the day a parent documents as directly related to seeking employment. Local districts may impose additional limitations on child care assistance for parents to search for a job.

North Carolina: Parents receiving child care assistance can continue to receive it while searching for a job for up to 30 calendar days, and can request a 30-day extension.

North Dakota: Parents can receive child care assistance while searching for a job for up to 8 weeks in a calendar year for up to 20 hours per week.

Ohio: Parents receiving child care assistance can continue to receive it for up to 30 days if they are scheduled to return to work, school, or training within that timeframe. In addition, parents who lose their job can continue to receive child care assistance for a 15-day prior notice period; if the parent starts another approved activity within that period, the parent can remain eligible.

Oklahoma: Parents can continue to receive child care assistance for up to 30 calendar days while searching for a job if they had been receiving child care assistance for at least 30 days prior to losing a job or completing an education program. Parents may be approved to receive child care assistance while searching for a job no more than twice per calendar year, and must have been employed or going to school for at least 90 calendar days between approval periods.

Oregon: Under the policy in effect as of February 2013, parents receiving child care assistance could continue to receive it while searching for a job until the end of the month in which the case closed after being given a 10-day notice of closure; depending on when a parent reported losing a job, this could be the end of the same month in which the job was lost or the following month. As of July 1, 2013, parents receiving child care assistance can continue to receive it through the end of the month following the month of a job loss.

Pennsylvania: Parents who voluntarily leave a job can continue to receive child care assistance during a 13-day notification period. Parents who involuntarily lose a job can continue to receive child care assistance for up to 30 days, in addition to the 13-day notification period. After the 30-day period, parents can remain eligible for child care assistance for up to 30 additional days, but their case is suspended and they cannot receive child care assistance to help pay for child care during this time. Prior to July 1, 2012, parents receiving child care assistance who involuntarily lost a job could continue to receive child care assistance to help pay for child care for up to 60 days.

Rhode Island: Parents receiving child care assistance can continue to receive it for up to 21 consecutive days from the beginning of a period of temporary unemployment resulting from a job loss or transition between jobs.

South Dakota: Parents receiving child care assistance can continue to receive it while searching for a job for up to 30 days from the last date of employment.

Texas: Parents receiving child care assistance can continue to receive it while searching for a job for up to 4 weeks in a federal fiscal year.

Utah: Parents can receive child care assistance while searching for a job for up to 150 hours in a 6-month period under the Kids-In-Care Program.

Vermont: Parents can request two 4-week extensions in a 12-month period (in addition to the initial 4 weeks) to receive child care assistance while searching for a job. These extensions may be granted when certain conditions are met, such as a diligent and good faith effort to obtain paid work.

Washington: Parents receiving child care assistance can continue to receive it while searching for a job for a period of up to 28 days twice per year or a period of up to 56 days once per year.

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