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STATE CHILD CARE ASSISTANCE POLICIES 2006: GAPS REMAIN, WITH NEW CHALLENGES AHEAD

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Parents need child care to get and keep a job and support their families and children need good-quality care to further their learning and development. Strong early care and education experiences are particularly important for low-income children, who are at greatest risk of starting school behind other children.[1] Yet child care is costly—center-based care for one child can average $3,000 to $13,000 a year, depending on where the family lives and the age of the child.[2] Help with these high child care costs is essential for low-income families trying to make ends meet and ensure their children are in good child care. Unfortunately, many low-income families are unable to receive the child care assistance they need.

This analysis of trends in four major aspects of state child care assistance policies provides a mixed picture. Some states showed improvements in certain areas between 2005 and 2006, but most states did not make up ground lost on many policies since 2001. In one important area—reimbursement rates for child care providers—states were significantly behind where they were in both 2005 and 2001.

- Between 2005 and 2006, two-thirds of the states increased their income eligibility limits sufficiently to keep pace with or surpass inflation, as measured against the increase in the federal poverty level during this time period. However, between 2001 and 2006, less than one-third of the states increased their income eligibility limits sufficiently to keep pace with or surpass inflation, as measured against the increase in the federal poverty level during this time period.
- Eighteen states had waiting lists or frozen intake for child care assistance in 2006—slightly fewer than in 2005 (twenty states) or in 2001 (twenty-two states).
- In over two-thirds of the states, families receiving child care assistance paid the same or a lower percentage of their income in copayments in 2006 than in 2005. Yet in over one-third to one-half of the states, depending on the family's income, copayments in 2006 were higher as a percentage of income than in 2001.
- Only nine states had adequate reimbursement rates for providers who serve families receiving child care assistance in 2006. This was a decrease from the number of states paying adequate rates in 2005 (thirteen states), and a substantial decrease from the number of states in 2001 (twenty-two states).

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New Welfare Work Requirements Will Increase Child Care Needs

States will face significant new child care challenges in the coming years as a result of more stringent work requirements for families receiving welfare. These requirements, which were adopted in 2006 as part of the reauthorization of the Temporary Assistance for Needy Families (TANF) program in the Deficit Reduction Act,[3] will significantly expand the demand for child care help as many more parents are required to enter the workforce.[4] Yet the additional child care funding provided by Congress falls $11 billion short of the estimated amount that would be needed to meet this new demand for child care help and other work-related supports and sustain existing services.[5] Regulations for the new TANF requirements issued by the Department of Health and Human Services only add to the pressure on states, as these regulations strictly limit the types of work activities that can count toward meeting the work participation requirements.[6]

The data in this report are based on state policies as of early 2006, and therefore do not reflect any changes that states may make in their child care assistance programs in response to the new welfare work requirements. Requirements to increase the number of TANF families participating in work activities may pressure states to focus more on providing child care assistance to families receiving TANF, depriving other low-income families of the child care help they need to work and remain independent of TANF. As states direct a greater portion of their child care resources to helping more TANF families, they may restrict eligibility for families not receiving TANF, maintain low provider reimbursement rates, and/or increase parent copayments. For a better outcome, states—recognizing the importance of good-quality child care to children's healthy development and parents' ability to work—should instead increase their child care investments and improve their policies to ensure more families have access to child care assistance.

Funding for Child Care Assistance for Low-Income Families

The major source of funding for child care assistance for low-income families is the federal Child Care and Development Block Grant (CCDBG). States may also transfer up to 30 percent of their funds from the TANF Block Grant to the CCDBG, or use TANF funds for child care without transferring the dollars. CCDBG funding as well as TANF funding for child care have decreased in recent years. Even before adjusting for inflation, CCDBG funding declined from a peak of $4.817 billion in FY 2002[7] to $4.800 billion in FY 2005.[8] The amount of federal TANF funds transferred to the CCDBG or used within the TANF block grant for child care decreased from a high of $3.96 billion in FY 2000[9] to $3.28 billion in FY 2004 (the most recent year for which data are available).[10]

Congress increased the mandatory portion of CCDBG funding by $200 million, to $2.917 billion in FY 2006.[11] However, mandatory funding—which Congress sets for five years and is one of two funding components that comprise the CCDBG—is slated to remain at this level through FY 2010, with no increases. In addition, this increase in mandatory funding was partially offset by a decrease in the discretionary portion of CCDBG funding—the portion of funding that Congress must appropriate each year—from $2.083 billion in FY 2005 to $2.062 billion in FY 2006.[12] This put total CCDBG funding at $4.979 billion in FY 2006. This is slightly above the FY 2002 peak before adjusting for inflation, but below the FY 2002 level when adjusted for inflation ($5.390 billion in FY 2006).[13] Without additional funding, approximately 400,000 children are expected to lose child care assistance by 2011, according to the administration's own budget figures.[14] This is on top of an estimated 250,000 children who have already lost assistance since 2000.[15]

Methodology

The National Women's Law Center asked state child care administrators from all fifty states and the District of Columbia (counted as a state in this report) to complete a survey of their policies in four key areas as of February 2006. Center staff contacted states with follow-up questions if further clarification was necessary. This data collection took place during the spring and summer of 2006. The 2005 data used in this report for comparison purposes were collected by the Center using a similar process in 2005, and reported in the Center's September 2005 publication, *Child Care Assistance Policies 2005: States Fail to Make Up Lost Ground, Families Continue to Lack Critical Supports*. The 2001 data used in this report were originally reported in the Children's Defense Fund's 2002 publication, *State Developments in Child Care, Early Education and School-Age Care 2001*. The data, which were collected by the Children's Defense Fund through surveys and interviews with state child care administrators and advocates, represent policies in effect as of June 1, 2001, unless otherwise indicated. The Center uses 2001 as a basis for comparison because it was just after the peak of TANF funding for child care in FY 2000 and just prior to the peak of CCDBG funding in FY 2002.

The Center collected data on four policy areas—income eligibility limits, waiting lists, parent copayments, and reimbursement rates—because they are key determinants of whether low-income families can receive help and the type of help they can receive. Income eligibility limits reveal how generous a state is in making families eligible for help,[16] and waiting lists reveal whether families eligible for assistance actually receive it. Parent copayments determine whether low-income parents receiving child care assistance are still left with significant out-of-pocket costs for care. Reimbursement rates influence what child care options are available to parents and whether providers of good-quality care are willing and able to serve families receiving assistance. While myriad other policies can have an impact on access to child care assistance, the four issues examined in this report are fundamental in understanding the extent of child care help available to low-income families in each state.

Income Eligibility Criteria

A state's income eligibility criteria for child care assistance are a critical indicator of how generous the state is in making assistance available to low-income families. At a minimum, annual increases in a state's income cutoff are essential to prevent families from losing eligibility merely because their incomes keep pace with the rising costs of meeting their basic needs.

Between 2005 and 2006, two-thirds of the states increased their income eligibility limits sufficiently to keep pace with or surpass inflation, as measured against the increase in the federal poverty level during this time period. However, between 2001 and 2006, less than one-third of the states increased their income eligibility limits sufficiently to keep pace with or surpass inflation, as measured against the increase in the federal poverty level during this time period. In addition, income eligibility levels in 2006 were low—200 percent of poverty or lower in three-quarters of the states and 150 percent of poverty or lower in one-third of the states.

- The income eligibility limit for a family to qualify for assistance increased as a dollar amount in thirty-six states between 2006 and 2005 (see Table 1a). In ten of these states, the increase was great enough that the cutoff was higher as a percentage of the federal poverty level in 2006 than in 2005. In twenty-three of these states the cutoff increased enough to remain the same, or nearly the same, as a percentage of the federal poverty level.[17] In three of these states, the increase was too small to keep pace with the federal poverty level, so the cutoff was lower as a percentage of the federal poverty level in 2006 than in 2005.
- The income eligibility limit decreased as a dollar amount in two states[18] between 2006 and 2005. The income cutoff stayed the same in thirteen states. In all of these states, the cutoff decreased as a percentage of the federal poverty level, bringing to eighteen the total number of states in which the income eligibility limits did not keep pace with the increase in the federal poverty level between 2005 and 2006.

- The income eligibility limit was higher as a dollar amount in 2006 than in 2001 in thirty-seven states (see Table 1b). In eleven of these states, the increase was great enough that the cutoff was higher as a percentage of the federal poverty level in 2006 than in 2001. In four of these states, the cutoff increased enough to remain the same, or nearly the same, as a percentage of the federal poverty level.[19] Yet in twenty-two of these states, the increase was too small to keep pace with the federal poverty level, so the cutoff was lower as a percentage of the federal poverty level in 2006 than in 2001.
- The income eligibility limit decreased as a dollar amount in nine states between 2006 and 2001. The income cutoff stayed the same in five states. In all of these states, the cutoff decreased as a percentage of the federal poverty level, bringing to thirty-six the total number of states in which income eligibility limits did not keep pace with the increase in the federal poverty level between 2001 and 2006.
- The income eligibility limits were above 100 percent of the federal poverty level in all states in 2006. Yet in the majority of communities across the country, a family needs an income equal to at least twice the poverty level to meet its basic needs, including housing, food, child care, transportation, health care, and other necessities, according to a study by the Economic Policy Institute.[20] Despite this, a family at that income level ($33,200 a year for a family of three in 2006) could not qualify for child care assistance in approximately three-quarters of the states. In about one-third of the states, a family with an income just above 150 percent of poverty ($24,900 a year for a family of three) could also not qualify for child care assistance.

Waiting Lists

Even if a family is eligible for child care assistance, the family may not be able to receive that assistance because of limited state resources. Instead, the family may be placed on a waiting list for assistance or find that the state has frozen intake, which means the state turns away families without putting them on a waiting list. While some families on waiting lists eventually receive child care assistance, others wait for months or years, or never receive help at all. Studies of low-income families on waiting lists for child care assistance show a range of negative consequences: families use care that is less than satisfactory or unstable, face tremendous financial pressures, are unable to work, or are forced to turn to welfare.[21]

In 2006, approximately one-third of the states had waiting lists or frozen intake, while the remaining two-thirds of the states served eligible families who applied for help rather than placing them on waiting lists or turning them away. This was an improvement over 2005 and 2001, when a greater number of states had waiting lists or frozen intake.[22]

- Eighteen states had waiting lists or frozen intake in 2006, compared to twenty states in 2005 and twenty-two states in 2001 (see Table 2).
- The District of Columbia and Maryland are the two states that had waiting lists in 2005, but not in 2006.
- Seven states had longer waiting lists in 2006 than in 2005. For example, the number of children on the waiting list grew from approximately 39,700 to 54,000 in Florida, from 15,900 to 37,200 in North Carolina, and from 22,000 to 33,500 in Texas. In contrast, five states had shorter waiting lists in 2006 than in 2005. For the remaining six states with waiting lists in 2006, it was not possible to compare the length of waiting lists based on the available data.
- Seven states had longer waiting lists in 2006 than in 2001, while six states had shorter waiting lists. For the remaining five states with waiting lists in 2006, it was not possible to compare the length of waiting lists based on the available data.

Copayments

States generally require families receiving child care assistance to cover at least a portion of their child care costs. Most states have a sliding fee scale with families at higher income levels required to contribute more than families at lower income levels. Some states also take into account the cost of care used by the family to determine the copayment. In addition, some states exempt certain families, such as families with incomes below the federal poverty level or foster families, from copayment requirements. Copayment policies are important because high copayments can leave low-income families with a significant out-of-pocket cost for care even if they are receiving child care assistance or can dissuade families from applying for assistance.

To compare policies across states, this study examines copayment requirements in each state for 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.[23] In over two-thirds of the states, families paid the same or a lower percentage of their income in copayments in 2006 than in 2005. Yet, in over one-third to one-half of the states, depending on income, families paid a greater percentage of their income in copayments in 2006 than in 2001. In addition, copayments remained high in many states in 2006. In approximately one-quarter of the states, a family at 100 percent of poverty was required to pay more in copayments in 2006 than the nationwide average amount spent on child care among families who pay for child care (including those who receive assistance and those who do not), which is slightly under 7 percent of income.[24] A family at 150 percent of poverty had to pay more than 7 percent of income in about two-thirds of the states in which a family at this income level was eligible.

- In thirteen states, copayments for a family of three at 150 percent of poverty[25] declined as a percentage of income between 2005 and 2006 (see Table 3a). In twenty-two states, copayments remained the same as a percentage of income. However, copayments increased as a percentage of income in eight states. In the remaining eight states, a family at 150 percent of the federal poverty level was not eligible for assistance in 2006,[26] an increase of one state since 2005.
- In twelve states, copayments for a family of three at 150 percent of poverty[27] declined as a percentage of income between 2001 and 2006. In fourteen states, copayments remained the same as a percentage of income. However, copayments increased as a percentage of income in seventeen states. In the remaining eight states, a family at 150 percent of poverty was not eligible for assistance in 2006, an increase of five states since 2001.
- In ten states, copayments for a family of three at 100 percent of poverty[28] decreased as a percentage of income between 2005 and 2006 (see Table 3b). In twenty-seven states, copayments remained the same as a percentage of income. However, copayments increased in fourteen states as a percentage of income.
- In six states, copayments for a family of three at 100 percent of poverty[29] decreased as a percentage of income, and in eighteen states copayments remained the same as a percentage of income between 2001 and 2006. However, copayments increased as a percentage of income in twenty-seven states.
- In twenty-eight states, a family at 150 percent of poverty was charged a copayment of $150 per month (7 percent of income) or more in 2006; this is in addition to the eight states in which a family at this income level was not eligible for child care assistance.
- In twelve states, a family of three at 100 percent of poverty was charged a copayment of $100 per month (7 percent of income) or more in copayments in 2006.

Reimbursement Rates

States determine the maximum amount they will pay child care providers and these reimbursement rates may vary by geographic region, age of the child, type of care, or other factors. When reimbursement rates are set too low, it is often hard for families to find providers willing to accept those rates. Providers who serve these families despite low rates struggle to make ends meet as costs rise or are forced to shortchange the quality of care they offer. Low reimbursement rates make it particularly difficult for families receiving assistance to obtain good child care, which is a special concern for low-income children, who have the most to gain from child care that promotes their development and learning.[30]

The benchmark used to assess state reimbursement rates—and the level recommended in federal regulations—is the 75th percentile of current market rates, which is a rate that allows families access to 75 percent of the providers in their communities. While states are required to conduct surveys every two years to determine providers' current market rates, states are not required to regularly update their rates based on the survey or set their rates at any particular level.

Fewer states had adequate rates in 2006 than in 2005 and far fewer had adequate rates than in 2001. While less than half of the states set rates at the 75th percentile of up-to-date market rates in 2001, by 2005 only a quarter and by 2006 less than one-fifth of the states met this benchmark.[31] In many states, reimbursement rates were significantly below the 75th percentile of current market rates. An analysis of rates for two specific types of care (licensed, non-accredited, center-based care for a four-year-old and a one-year-old in the most populous area of each state) reveals that in 2006 about one-third of the states had reimbursement rates that fell short of the 75th percentile of current market rates by 20 percent or more.[32]

- Only nine states set their maximum reimbursement rates at the 75th percentile of current market rates (rates from 2004 or 2005) in 2006 (see Table 4a). In contrast, thirteen states set their maximum reimbursement rates at the 75th percentile of updated market rates in 2005 and twenty-two states in 2001 (see Table 4b).
- As of February 2006, ten states had not updated their maximum reimbursement rates since 2001, including two states (Michigan and Oregon) that had not updated their rates since 1997 and two states (Mississippi and Missouri) that had not updated their rates since 1999.
- In sixteen states, maximum reimbursement rates for center-based care for a four-year-old in 2006 were 20 percent or more below the 75th percentile of current market rates for this type of care (see Table 4c).[33] For example, Missouri's reimbursement rate for providers in St. Louis was only $331 per month, while the 75th percentile of market rates was $660 per month. Michigan's reimbursement rate for providers in Wayne County was only $438 per month, compared to $758 per month for the 75th percentile of market rates.
- In sixteen states, maximum reimbursement rates for center-based care for a one-year-old in 2006 were 20 percent or more below the 75th percentile of current market rates for this type of care. For example, in Texas, center-based providers in communities covered by the Gulf Coast workforce board[34] are reimbursed $520 per month for infant care, which is far below the 75th percentile of market rates—$851 per month.

Conclusion

Despite some small improvements in some areas over the past year, state child care assistance policies continue to fall short of providing the support children and families need. There are still far too many low-income families who are unable to qualify for child care assistance, remain trapped on long waiting lists, strain to pay their copayments even if they are receiving assistance, or cannot find good care for their children because state reimbursement rates are too low.

Endnotes

[1] See, e.g., Betty Hart and Todd R. Risley, *Meaningful Differences in the Everyday Experience of Young Children* (Baltimore, MD: Paul H. Brookes Publishing Co., 1995); Kristin Denton and Jerry West, *Children's Reading and Mathematics Achievement in Kindergarten and First Grade* (Washington, DC: National Center for Education Statistics, 2002), Tables 1-2.

[2] National Association of Child Care Resource and Referral Agencies, *Breaking the Piggy Bank: Parents and the High Price of Child Care* (Arlington, VA: NACCRRA, 2006), i.

[3] Deficit Reduction Act of 2005, 120 Stat. 4, Pub. L. No. 109-171, § 7102 (2006).

[4] The percentage of each state's caseload that must be participating in work activities remains the same—50 percent of all families receiving assistance and 90 percent of two-parent families. However, states will no longer be able to gain credit toward their work participation rates based on reductions made in their TANF caseloads since 1995. In states that had reductions in the caseloads since 1995, these credits had the effect of reducing the percentage of TANF families that had to work (by one percentage point for each percentage point reduction in the caseload). Now, however, states can only receive credit for caseload reductions since 2005. As a result, a greater proportion of a state's TANF families must meet the TANF work participation requirements. In addition, families in separate state programs funded by state dollars that count toward TANF maintenance-of-effort requirements will no longer be exempt from federal work participation requirements. States that do not meet the work participation requirements are subject to fiscal penalties of up to 5 percent of their TANF grant. Mark Greenberg and Sharon Parrott, "Summary of TANF Work Participation Provisions in the Budget Reconciliation Bill" (Washington, DC: Center for Law and Social Policy, 2006), 1-3, available at http://www.cbpp.org/1-18-06tanf.pdf, accessed September 4, 2006.

[5] Danielle Ewen and Hannah Matthews, "Toward a Decade of Indifference: Administration Budget Ignores Child Care Needs of Working Families" (Washington, DC: Center for Law and Social Policy, 2006), 2, available at http://clasp.org/publications/childcare_2007budget.pdf, accessed September 5, 2006.

[6] The Deficit Reduction Act directed the Department of Health and Human Services to define countable work activities and the agency defined these activities more restrictively than states had done previously. For example, studies leading to a bachelor's or advanced degree cannot be counted as part of a vocational education program, even when directly related to preparation for a particular occupation. Study time can only be counted if supervised. Elizabeth Lower-Basch, Evelyn Ganzglass, Elisa Minoff, Sharon Parrott, and Liz Schott, *Analysis of New Interim Final TANF Rules* (Washington, DC: Center on Budget and Policy Priorities and Center for Law and Social Policy, 2006), 3, 12-13, available at http://www.cbpp.org/7-21-06tanf.pdf, accessed September 5, 2006.

[7] U.S. Department of Health and Human Services, *FY 2003 President's Budget for HHS* (Washington, DC: U.S. Department of Health and Human Services, 2002), 83, 92, available at http://www.hhs.gov/budget/pdf/hhs2003bib.pdf, accessed September 5, 2006. This amount includes $2.1 billion in discretionary funding and $2.717 billion in mandatory (entitlement) funding.

[8] U.S. Department of Health and Human Services, *FY 2006 President's Budget for HHS* (Washington, DC: U.S. Department of Health and Human Services, 2005), 88, 93, available at http://www.hhs.gov/budget/06budget/FY2006BudgetinBrief.pdf, accessed September 5, 2006. This amount includes $2.083 billion in discretionary funding and $2.717 billion in mandatory (entitlement) funding.

[9] Jennifer Mezey and Brooke Richie, "Welfare Dollars No Longer an Increasing Source of Child Care Funding: Use of Funds in FY 2002 Unchanged from FY 2001, Down from FY 2000" (Washington, DC: Center for Law and Social Policy, 2003), 5, available at http://www.clasp.org/publications/2002_tanf_cc.htm, accessed September 18, 2006.

[10] National Women's Law Center analysis of data from U.S. Department of Health and Human Services, Administration for Children and Families, Fiscal Year 2004 TANF Financial Data, "Table A. Combined Federal Funds Spent in FY 2004 through the Fourth Quarter," available at http://www.acf.dhhs.gov/programs/ofs/data/tanf_2004.html, accessed September 5, 2006. Total includes $1.86 billion transferred to the CCDBG, $300 million spent on child care categorized as "assistance," and $1.12 billion spent on child care categorized as "non-assistance."

[11] U.S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau, Fiscal Year 2006 Federal Child Care Appropriations, available at http://www.acf.hhs.gov/programs/ccb/policy1/misc/approp06.htm, accessed September 5, 2006.

[12] *Ibid.*

[13] Center for Law and Social Policy calculations based on Congressional Budget Office August 2006 Economic Projections for the Employment Cost Index and the Consumer Price Index. E-mail from Hannah Matthews, Center for Law and Social Policy, to Karen Schulman, National Women's Law Center (August 23, 2006).

[14] An estimated 2.2 million children received child care assistance in FY 2005, while an estimated 1.8 million children are projected to receive assistance in FY 2011. Office of Management and Budget, *Analytical Perspectives, Budget of the United States Government, Fiscal Year 2007* (2006), Table 25–4: Beneficiary Projections for Major Benefit Programs, 363, available at http://www.whitehouse.gov/omb/budget/fy2007/pdf/spec.pdf, accessed September 5, 2006.

[15] An estimated 2.2 million children received child care assistance in FY 2005. *Ibid.* In comparison, an estimated 2.45 million children received child care assistance in FY 2000. U.S. Department of Health and Human Services, *Child Care and Development Fund (CCDF) Report to Congress—Fiscal Year 2001* (2001), 7, available at http://www.acf.hhs.gov/programs/ccb/policy1/congressreport/2001CCDFreport.doc, accessed September 5, 2006.

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

[17] In four states, the income cutoff remained the same relative to poverty and in nineteen states, the income cutoff decreased relative to poverty by just one percentage point.

[18] Tennessee's income cutoff decreased slightly because the cutoff was adjusted for the updated state median income, which dropped between 2005 and 2006. In Texas, where local boards set income eligibility cutoffs within a state-specified range, the minimum allowable income cutoff increased, but the maximum decreased. As in Tennessee, this decrease was also due the cutoff being adjusted for a state median income that fell between 2005 and 2006. Median income is the income above and below which half of families' incomes fall.

[19] In three states, the income cutoff remained the same relative to poverty and in one state, the income cutoff decreased relative to poverty by just one percentage point.

[20] National Women's Law Center analysis of data from Economic Policy Institute, Basic Family Budget Spreadsheets (2005), available at http://www.epinet.org/datazone/fambud/xls/basic_family_budgets_20050901.xls, accessed September 5, 2006; 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.epinet.org/briefingpapers/165/bp165.pdf, accessed September 5, 2006.

[21] See, e.g., Children's Action Alliance, *The Real Reality of Arizona's Working Families—Child Care Survey Highlights* (2004), available at http://www.azchildren.org/caa/_mainpages/publications/_child_care_survey_brochure_.pdf; GreaterMinneapolis Day Care Association, *Valuing Families: The High Cost of Waiting for Child Care Sliding Fee Assistance* (Minneapolis, MN: Greater Minneapolis Day Care Association, 1995); 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); 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); 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); 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); 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).

[22] Waiting lists are not a perfect measure of unmet need, however. For example, waiting lists may increase due to increased outreach efforts that make more families aware of child care assistance programs, and may decrease due to a state adopting more restrictive eligibility criteria.

[23] For this analysis, copayments in states that charge parents based on the cost of care were determined assuming the family had one four-year-old child in a licensed, non-accredited center at the state's maximum reimbursement rate.

[24] Julia Overturf Johnson, *Who's Minding the Kids? Child Care Arrangements: Winter 2002*, Current Population Reports, P70-101 (Washington, DC: U.S. Census Bureau, 2005), 15, available at http://www.census.gov/prod/2005pubs/p70-101.pdf, accessed September 5, 2006.

[25] For a family of three, 150 percent of the federal poverty level was equal to an income of $24,900 in 2006 and $24,135 in 2005.

[26] These eight states do not include states that set their income cutoffs to qualify for assistance below 150 percent of poverty but that allow families already receiving assistance to continue receiving help up to an income that exceeds 150 percent of poverty.

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

[28] The federal poverty level for a family of three was $16,600 in 2006 and $16,090 in 2005.

[29] The federal poverty level for a family of three was $14,630 in 2001.

[30] See, e.g., Ellen S. Peisner-Feinberg, Margaret R. Burchinal, Richard M. Clifford, Mary L. Culkin, Carollee Howes, and Sharon Lynn Kagan, *The Children of the Cost, Quality and Outcomes Study Go to School: Executive Summary* (Chapel Hill, NC: University of North Carolina, 1999), 2; Barbara T. Bowman, M. Suzanne Donovan, and M. Susan Burns (editors), National Research Council, *Eager to Learn: Educating Our Preschoolers* (Washington, DC: National Academy Press, 2001), 8.

[31] 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.

[32] The National Women's Law Center collected data on state reimbursement rates and the 75th percentile of market rates for these two types of care in 2006, but does not have comparable data for 2005 or 2001.

[33] States were asked to report data from their most recent market rate survey, and most states reported data from 2004 or 2005 surveys. However, four states—Kansas, Kentucky, Massachusetts, and New Hampshire—reported data from 2002 or 2003. These states' reimbursement rates were below the 75th percentile of the 2002/2003 market rates they reported, but by less than 20 percent.

[34] The Gulf Coast workforce development board—one of twenty-eight local boards in Texas that are responsible for setting child care policies for their regions—covers Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Waller, Walker and Wharton Counties.

Table 1A: Income Eligibility Limits for a Family of Three 2005 and 2006

State	Income limit in 2006			Income limit in 2005			Change in income limit 2005 to 2006		
	As annual dollar amount	As percent of poverty ($16,600/year)	As percent of state median income	As annual dollar amount	As percent of poverty ($16,090/year)	As percent of state median income	As annual dollar amount	As percent of poverty	As percent of state median income
Alabama*	$20,916	126%	45%	$19,836	123%	44%	$1,080	3%	1%
Alaska*	$46,243	279%	76%	$46,243	287%	79%	$0	-9%	-2%
Arizona	$26,556	160%	54%	$25,860	161%	54%	$696	-1%	0%
Arkansas*	$26,174	158%	64%	$25,311	157%	61%	$863	0%	4%
California*	$35,100	211%	62%	$35,100	218%	64%	$0	-7%	-2%
Colorado*	$20,916–$36,204	126%–218%	35%–60%	$20,376–$35,256	127%–219%	36%–62%	$540–$948	-1%	-2%– -1%
Connecticut*	$36,120	218%	50%	$36,120	224%	53%	$0	-7%	-3%
Delaware	$32,184	194%	53%	$31,344	195%	54%	$840	-1%	-1%
District of Columbia*	$40,225	242%	85%	$34,700	216%	74%	$5,525	27%	11%
Florida*	$24,900	150%	51%	$24,135	150%	50%	$765	0%	1%
Georgia	$24,416	147%	47%	$24,416	152%	48%	$0	-5%	-1%
Hawaii	$47,124	284%	79%	$44,136	274%	78%	$2,988	10%	1%
Idaho	$20,472	123%	46%	$20,472	127%	45%	$0	-4%	1%
Illinois	$30,396	183%	50%	$29,052	181%	50%	$1,344	3%	0%
Indiana*	$20,436	123%	37%	$19,380	120%	37%	$1,056	3%	1%
Iowa*	$23,328	141%	43%	$21,936	136%	43%	$1,392	4%	1%
Kansas	$29,772	179%	55%	$28,992	180%	56%	$780	-1%	-1%
Kentucky*	$24,135	145%	54%	$23,505	146%	52%	$630	-1%	2%
Louisiana	$31,836	192%	75%	$31,152	194%	71%	$684	-2%	4%
Maine	$42,552	256%	85%	$41,985	261%	85%	$567	-5%	0%
Maryland	$29,990	181%	43%	$29,990	186%	46%	$0	-6%	-2%
Massachusetts*	$28,968	175%	42%	$28,968	180%	44%	$0	-6%	-2%
Michigan	$23,880	144%	41%	$23,880	148%	42%	$0	-5%	0%
Minnesota*	$28,158	170%	44%	$27,423	170%	45%	$736	-1%	-1%
Mississippi	$34,999	211%	89%	$34,999	218%	87%	$0	-7%	2%
Missouri	$18,216	110%	34%	$17,784	111%	35%	$432	-1%	-2%
Montana	$24,132	145%	58%	$23,508	146%	54%	$624	-1%	4%
Nebraska*	$19,308	116%	36%	$18,804	117%	37%	$504	-1%	-1%
Nevada	$37,536	226%	71%	$37,536	233%	75%	$0	-7%	-4%
New Hampshire*	$30,576	184%	46%	$28,784	179%	47%	$1,792	5%	-1%
New Jersey*	$32,180	194%	44%	$31,340	195%	45%	$840	-1%	-1%
New Mexico*	$24,135	145%	63%	$23,508	146%	58%	$627	-1%	5%
New York*	$32,180	194%	55%	$31,340	195%	57%	$840	-1%	-2%
North Carolina	$35,592	214%	75%	$35,352	220%	72%	$240	-5%	2%
North Dakota	$29,556	178%	62%	$29,556	184%	62%	$0	-6%	0%
Ohio*	$29,772	179%	54%	$23,505	146%	44%	$6,267	33%	10%
Oklahoma*	$29,100	175%	69%	$29,100	181%	67%	$0	-6%	2%
Oregon	$24,900	150%	48%	$24,132	150%	48%	$768	0%	0%
Pennsylvania*	$32,180	194%	56%	$31,340	195%	58%	$840	-1%	-2%
Rhode Island*	$36,203	218%	61%	$35,258	219%	62%	$945	-1%	-1%
South Carolina*	$24,135	145%	51%	$23,505	146%	50%	$630	-1%	1%
South Dakota*	$33,525	202%	67%	$32,650	203%	70%	$875	-1%	-3%
Tennessee	$27,924	168%	60%	$28,032	174%	60%	-$108	-6%	0%
Texas*	$24,135–$38,952	145%–235%	53%–85%	$23,505–$40,182	146%–250%	50%–85%	-$1,230–$630	-15%– -1%	0%–3%
Utah*	$30,384	183%	58%	$29,364	182%	58%	$1,020	1%	0%
Vermont	$31,032	187%	56%	$31,032	193%	59%	$0	-6%	-3%
Virginia*	$24,135–$40,225	145%–242%	40%–67%	$23,508–$39,175	146%–243%	42%–70%	$627–$1,050	-1%	-3%– -2%
Washington*	$32,184	194%	55%	$31,344	195%	56%	$840	-1%	-1%
West Virginia*	$24,144	145%	62%	$21,228	132%	53%	$2,916	14%	9%
Wisconsin*	$30,708	185%	53%	$29,772	185%	53%	$936	0%	0%
Wyoming*	$29,772	179%	63%	$29,004	180%	60%	$768	-1%	3%

* indicates notes found on pages 11 and 12.

Table 1b: Income Eligibility Limits for a Family of Three 2001 and 2006

State	Income limit in 2006			Income limit in 2001			Change in income limit 2001 to 2006		
	As annual dollar amount	As percent of poverty ($16,600 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*	$20,916	126%	45%	$18,048	123%	41%	$2,868	3%	4%
Alaska*	$46,243	279%	76%	$44,328	303%	75%	$1,915	-24%	1%
Arizona	$26,556	160%	54%	$23,364	160%	52%	$3,192	0%	2%
Arkansas*	$26,174	158%	64%	$23,523	161%	60%	$2,651	-3%	4%
California*	$35,100	211%	62%	$35,100	240%	66%	$0	-28%	-5%
Colorado*	$20,916–$36,204	126%–218%	35%–60%	$19,020–$32,000	130%–219%	36%–61%	$1,896–$4,204	-4%– -1%	-1%
Connecticut*	$36,120	218%	50%	$47,586	325%	75%	-$11,466	-108%	-25%
Delaware	$32,184	194%	53%	$29,260	200%	53%	$2,924	-6%	0%
District of Columbia*	$40,225	242%	85%	$34,700	237%	66%	$5,525	5%	19%
Florida*	$24,900	150%	51%	$20,820	142%	45%	$4,080	8%	6%
Georgia	$24,416	147%	47%	$24,278	166%	50%	$138	-19%	-3%
Hawaii*	$47,124	284%	79%	$46,035	315%	83%	$1,089	-31%	-4%
Idaho	$20,472	123%	46%	$20,472	140%	51%	$0	-17%	-5%
Illinois*	$30,396	183%	50%	$24,243	166%	43%	$6,153	17%	7%
Indiana*	$20,436	123%	37%	$20,232	138%	41%	$204	-15%	-4%
Iowa*	$23,328	141%	43%	$19,812	135%	41%	$3,516	5%	3%
Kansas	$29,772	179%	55%	$27,060	185%	56%	$2,712	-6%	-1%
Kentucky*	$24,135	145%	54%	$24,140	165%	55%	-$5	-20%	-1%
Louisiana*	$31,836	192%	75%	$29,040	205%	75%	$2,796	-13%	0%
Maine	$42,552	256%	85%	$36,452	249%	75%	$6,100	7%	10%
Maryland	$29,990	181%	43%	$25,140	172%	40%	$4,850	9%	3%
Massachusetts*	$28,968	175%	42%	$28,968	198%	48%	$0	-23%	-6%
Michigan	$23,880	144%	41%	$26,064	178%	47%	-$2,184	-34%	-6%
Minnesota*	$28,158	170%	44%	$42,304	289%	76%	-$14,146	-120%	-32%
Mississippi	$34,999	211%	89%	$30,999	212%	77%	$4,000	-1%	12%
Missouri	$18,216	110%	34%	$17,784	122%	37%	$432	-12%	-4%
Montana	$24,132	145%	58%	$21,948	150%	51%	$2,184	-5%	7%
Nebraska*	$19,308	116%	36%	$25,260	173%	54%	-$5,952	-56%	-18%
Nevada	$37,536	226%	71%	$33,420	228%	67%	$4,116	-2%	4%
New Hampshire*	$30,576	184%	46%	$27,797	190%	50%	$2,779	-6%	-4%
New Jersey*	$32,180	194%	44%	$29,260	200%	46%	$2,920	-6%	-2%
New Mexico*	$24,135	145%	63%	$28,300	193%	75%	-$4,165	-48%	-12%
New York*	$32,180	194%	55%	$28,644	202%	61%	$3,536	-8%	-6%
North Carolina	$35,592	214%	75%	$32,628	223%	69%	$2,964	-9%	5%
North Dakota	$29,556	178%	62%	$29,556	202%	69%	$0	-24%	-7%
Ohio	$29,772	179%	54%	$27,066	185%	57%	$2,706	-6%	-4%
Oklahoma*	$29,100	175%	69%	$29,040	198%	66%	$60	-23%	3%
Oregon	$24,900	150%	48%	$27,060	185%	60%	-$2,160	-35%	-12%
Pennsylvania*	$32,180	194%	56%	$29,260	200%	58%	$2,920	-6%	-3%
Rhode Island*	$36,203	218%	61%	$32,918	225%	61%	$3,285	-7%	0%
South Carolina*	$24,135	145%	51%	$21,225	145%	45%	$2,910	0%	6%
South Dakota*	$33,525	202%	67%	$22,826	156%	52%	$10,699	46%	15%
Tennessee	$27,924	168%	60%	$24,324	166%	56%	$3,600	2%	4%
Texas*	$24,135–$38,952	145%–235%	53%–85%	$21,228–$36,516	145%–250%	47%–82%	$2,436–$2,907	-15%–0%	3%–6%
Utah*	$30,384	183%	58%	$27,048	185%	56%	$3,336	-2%	2%
Vermont	$31,032	187%	56%	$31,032	212%	64%	$0	-25%	-8%
Virginia*	$24,135–$40,225	145%–242%	40%–67%	$21,948–$27,060	150%–185%	41%–50%	$2,178–$13,165	-5%–57%	-1%–17%
Washington*	$32,184	194%	55%	$32,916	225%	63%	-$732	-31%	-7%
West Virginia*	$24,144	145%	62%	$28,296	193%	75%	-$4,152	-48%	-12%
Wisconsin*	$30,708	185%	53%	$27,060	185%	51%	$3,648	0%	2%
Wyoming*	$29,772	179%	63%	$21,948	150%	47%	$7,824	29%	16%

* indicates notes found on pages 11 and 12.

Notes for Tables 1a and 1b: Income Eligibility Limits

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

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

Alabama: In 2001, families already receiving assistance could continue doing so until their annual income reached $27,756. In 2005, the exit eligibility cutoff was $30,516, and in 2006, the exit eligibility cutoff was $32,184.

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

Arkansas: The income cutoffs shown in the table take into account a $100-per-month deduction ($1,200 a year) that is allowed for an adult household member who works an average of at least 32 hours per week per month at the equivalent of minimum wage or higher. It is assumed there is one working parent. The stated income cutoffs, in policy, were $22,323 in 2001, $24,111 in 2005, and $24,974 in 2006.

California: Under policies in effect in 2001, families who had been receiving assistance as of January 1, 1998 could continue doing so until their annual income reached $46,800 since they were subject to higher income guidelines previously in effect. Also note that in 2006, two pilot counties (San Mateo and San Francisco) allowed families already receiving assistance to continue to receive it up to an annual income of $51,876.

Colorado: Counties set the income eligibility cutoff within state guidelines. Also note that in 2005, counties could allow families already receiving assistance to continue doing so until annual income reached $39,092.

Connecticut: In 2005 and 2006, families already receiving assistance could continue doing so until their annual income reached $54,181.

District of Columbia: In 2001 and 2005, families already receiving assistance could continue doing so until their annual income reached $41,640. In 2006, the exit eligibility cutoff was $48,270.

Florida: In 2005, families already receiving assistance could continue doing so until annual income reached $32,180. In 2006, the exit eligibility cutoff was $33,200.

Hawaii: In 2001, the state allowed a 20 percent deduction of all countable income in determining eligibility, which is taken into account in the figure shown here. The stated income cutoff, in policy, was $36,828. The state no longer used the deduction in 2005 or 2006.

Illinois: In 2001, the state allowed a 10 percent earned income deduction, which is taken into account in the figure shown here. The stated income cutoff was $21,819. The state no longer used the deduction in 2005 or 2006.

Indiana: In 2006, families already receiving assistance could continue doing so until annual income reached $22,524.

Iowa: For special needs care, the income cutoff was $27,420 in 2005 and $32,184 in 2006.

Kentucky: In 2005, families already receiving assistance could continue doing so until annual income reached $25,856. In 2006, the exit eligibility cutoff was $26,549. As of April 1, 2006, the income cutoff to qualify for assistance was increased to $24,900, and the exit eligibility cutoff was increased to $27,390 to reflect the adjusted federal poverty level.

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

Massachusetts: In 2001 and 2005, families already receiving assistance could continue doing do until annual income reached $49,248. In 2006, the exit eligibility cutoff was $39,864. Also note that in 2006 the income cutoff for a family with special needs to qualify for child care assistance was $49,248, with an exit eligibility cutoff of $57,936.

Minnesota: In 2005, families already receiving assistance could continue doing so until annual income reached $39,174. In 2006, the exit eligibility cutoff was $40,225.

Nebraska: For a family transitioning from TANF, the income limit was $28,992 in 2005 and $29,772 in 2006.

New Hampshire: If a family leaves TANF because of increased earnings or increased hours of work participation, it may continue to receive child care assistance for up to one year regardless of income.

New Jersey: In 2001, families already receiving assistance could continue doing so until annual income reached $36,575. In 2005, the exit eligibility cutoff was $39,175 and in 2006, it was $40,225.

New Mexico: For a period of time following August 1, 2001, the state lowered its eligibility limit for non-TANF families to 100 percent of poverty. Parents whose child care cases were open prior to August 1, 2001 were not subject to this new eligibility limit. Also note that in 2005, families already receiving assistance could continue doing so until annual income reached $31,344. In 2006, the exit eligibility cutoff was $32,180.

New York: Data on the state's policies as of 2001 were not available, so data on policies as of March 15, 2000 were used instead. Also note that New York City has a three-level eligibility system with higher income cutoffs than the rest of the state. The income cutoffs are at 225 percent, 255 percent, and 275 percent (depending on family size) of the federal poverty level.

Ohio: In 2005, families already receiving assistance could continue doing so until annual income reached $25,860.

Oklahoma: The income eligibility cutoff depends on how many children are in care. The income cutoffs shown in the table assume that the family had two children in subsidized care. In 2006, the income eligibility limit for a family of three with only one child in subsidized care was $23,400. Also note that, in 2005 and 2006, the state had a separate exit eligibility cutoff. A family of three with two children in subsidized care could continue doing so until its annual income reached $35,100.

Pennsylvania: In 2001, families already receiving assistance could continue doing so until annual income reached $34,381. In 2005, the exit eligibility limit was $36,825 and in 2006, the exit eligibility cutoff was $37,812.

Rhode Island: In March 2006, the income cutoff was increased to $37,350 to reflect the adjusted 2006 federal poverty level.

South Carolina: In 2001, families already receiving assistance could continue doing so until annual income reached $24,763. In 2005, the exit eligibility cutoff was $27,423 and in 2006, the exit eligibility cutoff was $28,158.

South Dakota: The income cutoffs shown in the table take into account that the state disregards 4 percent of earned income in determining eligibility. In 2001, the stated income cutoff, in policy, was $21,913. In 2005, the stated income, in policy, was $31,344 and in 2006, it was $32,184. Also note that the state increased its income cutoff to $33,192 as of March 1, 2006 to reflect the 2006 federal poverty level.

Texas: Local boards set their own income cutoffs within state guidelines. Also note that in 2006, thirteen boards allowed families an extended year of child care assistance at a higher income than their initial eligibility limit; however, this exit eligibility cutoff could not exceed 85 percent of state median income.

Utah: The income cutoffs shown in the table take into account a monthly standard deduction of $100 for each working parent, assuming there is one working parent in the family. The stated income cutoffs, in policy, were $25,848 in 2001, $28,164 in 2005, and $29,184 in 2006. The state also allows a deduction of $100 per month for the household for medical expenses.

Virginia: The state has different income cutoffs for different regions of the state. In 2001, the state had three separate regional cutoffs, which for a family of three were: $21,948, $23,400, and $27,060. In 2005, the state had four separate regional cutoffs: $23,508, $25,080, $28,992, and $39,175. In 2006, the state also had four regional cutoffs: $24,135, $25,744, $29,767, and $40,225.

Washington: The income cutoff was adjusted for the 2006 federal poverty level as of April 1, 2006, with the new income cutoff set at $33,192.

West Virginia: In 2005, families already receiving assistance could continue doing so until annual income reached $26,172. In 2006, the exit eligibility cutoff was $29,772.

Wisconsin: In 2001, families already receiving assistance could continue doing so until annual income reached $29,256. In 2005, the exit eligibility limit was $32,184 and in 2006, the exit eligibility limit was $33,204.

Wyoming: In 2001, families already receiving assistance could continue doing so until annual income reached $27,060. In 2005, the exit eligibility limit was $31,344 and in 2006, it was $32,184.

Table 2: Waiting Lists for Child Care Assistance

State	Number of children or families on waiting lists as of early 2006	Number of children or families on waiting lists as of early 2005	Number of children or families on waiting lists as of December 2001
Alabama*	9,408 children	13,260 children	5,089 children
Alaska	No waiting list	No waiting list	588 children
Arizona	No waiting list	No waiting list	No waiting list
Arkansas*	1,761 children	517 families	8,000 children
California*	280,000 children (estimated)	280,000 children (estimated)	280,000 children (estimated)
Colorado*	Waiting lists at county level	602 families	Waiting lists at county level
Connecticut	No waiting list	No waiting list	Frozen intake
Delaware	No waiting list	No waiting list	No waiting list
District of Columbia*	No waiting list	1,483 children	9,124 children
Florida*	53,965 children	39,677 children	46,800 children
Georgia*	10,250 families (and frozen intake)	17,600 families	16,099 children
Hawaii	No waiting list	No waiting list	No waiting list
Idaho	No waiting list	No waiting list	No waiting list
Illinois	No waiting list	No waiting list	No waiting list
Indiana*	4,125 children	7,975 children	11,958 children
Iowa	No waiting list	No waiting list	No waiting list
Kansas	No waiting list	No waiting list	No waiting list
Kentucky	No waiting list	No waiting list	No waiting list
Louisiana	No waiting list	No waiting list	No waiting list
Maine	2,010 children	2,025 children	2,000 children
Maryland*	No waiting list	19,674 children	No waiting list
Massachusetts*	16,479 children	13,563 children	18,000 children
Michigan	No waiting list	No waiting list	No waiting list
Minnesota*	4,876 families	859 families	4,735 children
Mississippi*	107 children	478 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	No waiting list	No waiting list	No waiting list
New Hampshire	No waiting list	No waiting list	No waiting list
New Jersey*	4,803 children	6,994 children	9,800 children
New Mexico	No waiting list	No waiting list	No waiting list
New York*	Waiting lists at county level	Waiting lists at county level	Waiting lists at county level
North Carolina	37,195 children	15,871 children	25,363 children
North Dakota	No waiting list	No waiting list	No waiting list
Ohio	No waiting list	No waiting list	No waiting list
Oklahoma	No waiting list	No waiting list	No waiting list
Oregon	No waiting list	No waiting list	No waiting list
Pennsylvania*	7,353 children	2,929 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*	14,273 children (and frozen intake)	Frozen intake	9,388 children (and frozen intake)
Texas*	33,506 children	22,045 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*	9,462 children	4,819 children	4,255 children
Washington	No waiting list	No waiting list	No waiting list
West Virginia	No waiting list	No waiting list	No waiting list
Wisconsin	No waiting list	No waiting list	No waiting list
Wyoming	No waiting list	No waiting list	No waiting list

* indicates notes found on page 14.

Notes for Table 2: Waiting Lists for Child Care Assistance

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

Arkansas: The 2006 waiting list total is as of April 27 of that year.

California: Counties maintain waiting lists, but there is no statewide total for the number of families and children on those lists. The figure reported here is an estimate provided by the state.

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 were not available. In addition, four counties had frozen intake in 2001. In 2006, six counties had waiting lists.

District of Columbia: Waiting list totals from 2001 and 2005 may include some children living in the wider metropolitan area that encompasses parts of Maryland and Virginia.

Florida: The waiting list total reported for 2005 is the total as of April of that year. The waiting list total reported for 2006 is as of January 31 of that year.

Georgia: The waiting list count for 2006 is as of April of that year.

Indiana: In addition to the waiting list, some counties ran out of funding and stopped accepting applications for assistance in 2001.

Maryland: The waiting list total reported for 2005 is the total as of March of that year.

Massachusetts: The waiting list count for 2006 is as of June 28 of that year.

Minnesota: The waiting list total for 2006 is as of December 2005.

Mississippi: The waiting list total for 2006 is as of June 30, 2005.

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

New York: Waiting lists are kept at the county level and statewide data are not available. As of February 2006, 13 out of 58 counties had an active waiting list. Each county also has the authority to freeze intake and stop adding names to its waiting list.

Pennsylvania: The waiting list count for 2006 is as of February 28 of that year.

Tennessee: When the state reported its data in 2001 and 2006, the state had frozen intake for families not in the TANF or Transitional Child Care programs. The waiting list figure for each year represents the number of children on the waiting list when intake was closed. The state did not provide a similar number for 2005, when the waiting list was also frozen.

Texas: Local workforce development boards maintain waiting lists. The waiting list total reported for 2006 is as of January of that year.

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

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 2006		Monthly fee in 2005		Monthly fee in 2001		Change 2005 to 2006		Change 2001 to 2006	
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	$217	10%	$215	11%	$215	12%	$2	0%	$2	-1%
Alaska	$44	2%	$42	2%	$71	4%	$2	0%	-$27	-2%
Arizona	$152	7%	$154	8%	$217	12%	-$2	0%	-$65	-5%
Arkansas*	$253	12%	$390	19%	$224	12%	-$137	-7%	$29	0%
California	$53	3%	$42	2%	$0	0%	$11	0%	$53	3%
Colorado	$231	11%	$258	13%	$185	10%	-$27	-2%	$46	1%
Connecticut	$125	6%	$121	6%	$110	6%	$4	-0%	$15	0%
Delaware	$217	10%	$172	9%	$159	9%	$45	2%	$58	2%
District of Columbia	$102	5%	$134	7%	$91	5%	-$32	-2%	$11	0%
Florida*	$130	6%	$201	10%	$104	6%	-$71	-4%	$26	1%
Georgia	Not eligible	Not eligible	$135	7%	$139	8%	N/A	N/A	N/A	N/A
Hawaii	$50	2%	$42	2%	$38	2%	$8	0%	$12	0%
Idaho	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	N/A	N/A	N/A	N/A
Illinois	$160	8%	$134	7%	$134	7%	$26	1%	$26	0%
Indiana*	Not eligible	Not eligible	Not eligible	Not eligible	$154	8%	N/A	N/A	N/A	N/A
Iowa*	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible	N/A	N/A	N/A	N/A
Kansas	$177	9%	$177	9%	$162	9%	$0	0%	$15	0%
Kentucky	$170	8%	$210	10%	$177	10%	-$40	-2%	-$7	-1%
Louisiana*	$163	8%	$236	12%	$114	6%	-$73	-4%	$49	2%
Maine	$206	10%	$181	9%	$183	10%	$25	1%	$23	0%
Maryland*	$290	14%	$290	14%	$236	13%	$0	0%	$54	1%
Massachusetts	$180	9%	$180	9%	$160	9%	$0	0%	$20	0%
Michigan	Not eligible	Not eligible	Not eligible	Not eligible	$24	1%	N/A	N/A	N/A	N/A
Minnesota	$83	4%	$96	5%	$53	3%	-$13	-1%	$30	3%
Mississippi*	$130	6%	$130	6%	$105	6%	$0	0%	$25	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	$225	11%	$225	11%	$281	15%	$0	0%	-$56	-5%
New Hampshire	$2	<1%	$1	<1%	$2	<1%	$1	0%	$0	0%
New Jersey	$157	8%	$157	8%	$133	7%	$0	0%	$24	0%
New Mexico	$131	6%	$128	6%	$115	6%	$3	0%	$16	0%
New York*	$257	12%	$235	12%	$191	10%	$22	1%	$66	2%
North Carolina	$208	10%	$201	10%	$159	9%	$7	0%	$49	1%
North Dakota	$280	13%	$280	14%	$293	16%	$0	0%	-$13	-3%
Ohio	$182	9%	$211	10%	$88	5%	-$29	-2%	$94	4%
Oklahoma*	$170	8%	$192	10%	$146	8%	-$22	-1%	$24	0%
Oregon	$517	25%	$463	23%	$319	17%	$54	2%	$198	7%
Pennsylvania	$173	8%	$120	6%	$152	8%	$53	2%	$21	0%
Rhode Island	$125	6%	$120	6%	$19	1%	$5	0%	$106	5%
South Carolina	$56	3%	$52	3%	$77	4%	$4	0%	-$21	-2%
South Dakota	$299	14%	$302	15%	$365	20%	-$3	-1%	-$66	-6%
Tennessee	$169	8%	$155	8%	$112	6%	$14	0%	$57	2%
Texas*	$187–$270	9%–13%	$181–$261	9%–13%	$165–$256	9%–14%	$6–$9	0%	$14–$22	-1%–0%
Utah	$150	7%	$200	10%	$220	12%	-$50	-3%	-$70	-5%
Vermont	$259	12%	$228	11%	$123	7%	$31	1%	$136	6%
Virginia	$208	10%	$201	10%	$183	10%	$6	0%	$25	0%
Washington	$152	7%	$145	7%	$87	5%	$7	0%	$65	3%
West Virginia	$92	4%	$114	6%	$54	3%	-$22	-1%	$38	1%
Wisconsin	$122	6%	$181	9%	$160	9%	-$59	-3%	-$38	-3%
Wyoming	$97	5%	$75	4%	$98	5%	$22	1%	-$1	-1%

* indicates notes found on page 17.

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 2006		Monthly fee in 2005		Monthly fee in 2001		Change 2005 to 2006		Change 2001 to 2006	
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	$87	6%	$65	5%	$65	5%	$22	1%	$22	1%
Alaska	$14	1%	$13	1%	$14	1%	$1	0%	$0	0%
Arizona	$65	5%	$99	7%	$65	5%	-$34	-3%	$0	-1%
Arkansas*	$84	6%	$0	0%	$0	0%	$84	6%	$84	6%
California	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Colorado	$140	10%	$122	9%	$113	9%	$18	1%	$27	1%
Connecticut	$55	4%	$54	4%	$49	4%	$1	0%	$6	0%
Delaware	$104	8%	$60	4%	$55	5%	$44	3%	$49	3%
District of Columbia	$35	3%	$53	4%	$32	3%	-$18	-1%	$3	0%
Florida*	$87	6%	$134	10%	$69	6%	-$47	-4%	$18	1%
Georgia	$120	9%	$75	6%	$21	2%	$45	3%	$99	7%
Hawaii	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Idaho	$103	7%	$103	8%	$65	5%	$0	0%	$38	2%
Illinois	$65	5%	$65	5%	$134	11%	$0	0%	-$69	-6%
Indiana*	$71	5%	$0	0%	$0	0%	$71	5%	$71	5%
Iowa*	$20	1%	$22	2%	$22	2%	-$2	0%	-$2	0%
Kansas	$22	2%	$22	2%	$22	2%	$0	0%	$0	0%
Kentucky	$100	7%	$100	7%	$97	8%	$0	0%	$3	-1%
Louisiana*	$91	7%	$163	12%	$49	4%	-$72	-6%	$42	3%
Maine	$110	8%	$80	6%	$97	8%	$30	2%	$13	0%
Maryland*	$151	11%	$115	9%	$90	7%	$36	2%	$61	4%
Massachusetts	$90	7%	$60	4%	$40	3%	$30	2%	$50	3%
Michigan	$24	2%	$24	2%	$24	2%	$0	0%	$0	0%
Minnesota	$45	3%	$53	4%	$5	<1%	-$8	-1%	$40	3%
Mississippi*	$63	5%	$63	5%	$47	4%	$0	0%	$16	1%
Missouri	$88	6%	$66	5%	$43	4%	$22	1%	$45	3%
Montana	$55	4%	$52	4%	$49	4%	$3	0%	$6	0%
Nebraska*	$53	4%	$52	4%	$30	2%	$1	0%	$23	1%
Nevada	$56	4%	$28	2%	$0	0%	$28	2%	$56	4%
New Hampshire	$1	<1%	$1	<1%	$0	0%	$1	0%	$1	0%
New Jersey	$90	7%	$90	7%	$71	6%	$0	0%	$19	1%
New Mexico	$57	4%	$54	4%	$47	4%	$3	0%	$10	0%
New York*	$15	1%	$0	0%	$4	<1%	$15	1%	$11	1%
North Carolina	$138	10%	$134	10%	$106	9%	$4	0%	$32	1%
North Dakota	$180	13%	$180	13%	$158	13%	$0	0%	$22	0%
Ohio	$99	7%	$137	10%	$43	4%	-$38	-3%	$56	4%
Oklahoma*	$90	7%	$107	8%	$54	4%	-$17	-1%	$36	2%
Oregon	$141	10%	$129	10%	$90	7%	$12	1%	$51	3%
Pennsylvania	$87	6%	$80	6%	$65	5%	$7	0%	$22	1%
Rhode Island	$14	1%	$13	1%	$0	0%	$1	0%	$14	1%
South Carolina	$39	3%	$36	3%	$43	4%	$3	0%	-$4	-1%
South Dakota	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Tennessee	$82	6%	$73	5%	$39	3%	$9	1%	$43	3%
Texas*	$125–$180	9%–13%	$121–$174	9%–13%	$109–$170	9%–14%	$4–$6	0%	$10–$16	-1%–0%
Utah	$10	1%	$33	2%	$36	3%	-$23	-2%	-$26	-2%
Vermont	$0	0%	$18	1%	$0	0%	-$18	-1%	$0	0%
Virginia	$138	10%	$134	10%	$122	10%	$4	0%	$16	0%
Washington	$50	4%	$50	4%	$20	2%	$0	0%	$30	2%
West Virginia	$43	3%	$60	4%	$27	2%	-$16	-1%	$16	1%
Wisconsin	$74	5%	$73	5%	$61	5%	$1	0%	$13	0%
Wyoming	$10	1%	$11	1%	$10	1%	-$1	0%	$0	0%

* indicates notes found on page 17.

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, $16,090 a year in 2005, and $16,600 a year in 2006.

For a family of three, an income at 150 percent of poverty was equal to $21,945 a year in 2001, $24,135 a year in 2005, and $24,900 a year in 2006.

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

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

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

Florida: Local coalitions have flexibility in setting copayments; the copayments in the table reflect the maximum copayment levels.

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 copayment shown in the table assumes it is the first year the family is receiving assistance.

Iowa: A family at 150 percent of poverty would be eligible for assistance if the family was using special needs care. For this family, the copayment in 2005 would have been $176 per month, and in 2006, the copayment would have been $180 per month. A family of three with an income at 100 percent of poverty that is using special needs care would have the same copayment as a family using basic care. Also note that no copayment is assessed for families under 100 percent of poverty.

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

Maryland: The state determines copayments based on maximum state reimbursement rates in the region where the family lives. Copayments reported in the table were calculated assuming the family lives in the region of the state with the highest provider rates.

Mississippi: For children in foster care or protective services and children receiving Supplemental Security Income (SSI) benefits, the copayment fee is $10 per month.

Nebraska: A family at 150 of poverty would be eligible if the family was transitioning from TANF.

New York: Data were not available for June 2001, so data from March 2000 were used instead. Also note that the state allows districts the flexibility to set copayments within a state-specified range; the copayments in the table reflect the maximum amount possible in that range. In New York City, copayments are capped at 10 percent of income.

Oklahoma: In 2006, a family of three with one child in care and an annual income of $24,900 would not be eligible for assistance unless it was already receiving assistance as of August 31, 2004.

Texas: Local workforce boards set their own copayments within state guidelines. Also note that parents participating in the TANF work program (Choices) and the Food Stamp Employment and Training program are exempt from the copayment.

Table 4A: State Reimbursement Rates 2006

State	State reimbursement rates compared to market rates	Year when rates last updated
Alabama*	30th-70th percentile of 2005 rates	2005
Alaska*	35th percentile (average) of 2005 rates	2001
Arizona	75th percentile of 1998 rates	2000
Arkansas*	75th percentile of 2004 rates	2004
California	85th percentile of 2002 rates	2003
Colorado*	Below the 75th percentile of 2005 rates	N/A
Connecticut	60th percentile of 2001 rates	2002
Delaware	Below the 75th percentile of 2005 rates	2005
District of Columbia*	Below the 75th percentile of 2004 rates	2005
Florida*	Varies by locality	Varies by locality
Georgia	50th percentile of 2003 rates	2005
Hawaii	70th-75th percentile of 2005 rates	2006
Idaho	75th percentile of 2001 rates	2001
Illinois*	Below the 75th percentile of 2004 rates	2005
Indiana	75th percentile of 2005 rates	2005
Iowa	75th percentile of 2002 rates	2005
Kansas*	60th/65th percentile of 2000 rates	2002
Kentucky	73rd percentile of 2003 rates	2003
Louisiana*	Below the 75th percentile of 2005 rates	2005
Maine	75th percentile of 2004 rates	2004
Maryland	75th percentile of 2001 rates	2002
Massachusetts*	30th-75th percentile (approximately) of 2003 rates	2004
Michigan	75th percentile of 1996 rates	1997
Minnesota*	Varies	2006
Mississippi	58th percentile of 2005 rates	1999
Missouri*	50th percentile of 1996/1991 rates	1999
Montana	75th percentile of 2004 rates	2004
Nebraska	60th-75th percentile of 2005 rates	2005
Nevada*	Below the 75th percentile of 2004 rates	2004
New Hampshire	48th percentile of 2003 rates	2005
New Jersey*	Below the 75th percentile of 2004 rates	2005
New Mexico*	54-95% of the 75th percentile of 2005 rates	2001
New York	75th percentile of 2005 rates	2005
North Carolina*	75th percentile of 1997 rates	2003
North Dakota*	Varies	2000
Ohio	65th percentile of 2004 rates	2005
Oklahoma*	Varies	2005
Oregon*	21st percentile (average) of 2004 rates	1997
Pennsylvania*	At least the 52nd/38th percentile of 2005 rates	2005
Rhode Island	75th percentile of 2002 rates	2004
South Carolina	75th percentile of 2004 rates	2005
South Dakota	75th percentile of 2005 rates	2005
Tennessee*	45th-50th percentile (approximately) of 2005 rates	2005
Texas*	Below the 75th percentile of 2005 rates	2002
Utah*	Below the 75th percentile of 2004 rates	2001
Vermont*	50th-57th percentile of 2005 rates	2005
Virginia*	75th percentile of 2002 rates	2004
Washington*	20th-81st percentile of 2004 rates	2005
West Virginia	35th-75th percentile of 2005 rates	2002
Wisconsin	75th percentile of 2005 rates	2006
Wyoming	75th percentile of 2004 rates	2005

* indicates notes found on pages 21 and 22.

Table 4B: State Reimbursement Rates Compared to the 75th Percentile of Current Market Rates 2006, 2005, and 2001

Rates equal to or above the 75th percentile of current market rates

State	In 2006?	In 2005?	In 2001?
Alabama*	No	No	Yes
Alaska*	No	No	No
Arizona	No	No	No
Arkansas*	Yes	Yes	Yes
California	No	Cannot be determined	Yes
Colorado*	No	Yes	Yes
Connecticut	No	No	No
Delaware	No	No	No
District of Columbia*	No	No	No
Florida*	No	Yes	Yes
Georgia	No	No	No
Hawaii	No	No	No
Idaho	No	No	Yes
Illinois	No	No	No
Indiana	Yes	Yes	Yes
Iowa	No	No	No
Kansas*	No	No	No
Kentucky	No	Yes	Yes
Louisiana*	No	No	Yes
Maine	Yes	Yes	Yes
Maryland	No	No	Yes
Massachusetts*	No	No	No
Michigan	No	No	No
Minnesota*	No	No	Yes
Mississippi	No	No	Yes
Missouri*	No	No	No
Montana*	Yes	Yes	No
Nebraska	No	No	No
Nevada*	No	Yes	Yes
New Hampshire	No	No	No
New Jersey*	No	No	No
New Mexico*	No	No	No
New York	Yes	Yes	Yes
North Carolina*	No	No	No
North Dakota*	No	Yes	Yes
Ohio	No	No	No
Oklahoma*	No	No	No
Oregon*	No	No	No
Pennsylvania*	No	No	No
Rhode Island	No	No	Yes
South Carolina	Yes	Yes	No
South Dakota	Yes	Yes	Yes
Tennessee*	No	No	No
Texas*	No	No	Yes
Utah	No	No	No
Vermont	No	No	No
Virginia*	No	No	No
Washington*	No	No	No
West Virginia*	No	No	Yes
Wisconsin	Yes	Yes	Yes
Wyoming	Yes	No	Yes

* indicates notes found on pages 21 and 22.

Table 4C: State Reimbursement Rate Amount in 2006 Compared to Market Rate Amount for Child Care Centers

		Center Care for a Four-Year-Old					Center Care for a One-Year-Old				
State	City/county/region*	Monthly state reimbursement rate	75th percentile of market rate	Year of market rate	Difference between state rate and 75th percentile	Percentage difference between state rate and 75th percentile	Monthly state reimbursement rate	75th percentile of market rate	Year of market rate	Difference between state rate and 75th percentile	Percentage difference between state rate and 75th percentile
Alabama*	Birmingham Region	$429	$433	2005	-$4	-1%	$455	$476	2005	-$22	-5%
Alaska*	Anchorage	$550	$685	2005	-$135	-20%	$647	$700	2005	-$53	-8%
Arizona*	Maricopa County (Phoenix)	$502	$650	2004	-$147	-23%	$554	$736	2004	-$182	-25%
Arkansas*	Central Arkansas, Pulaski County	$434	$434	2006	$0	0%	$509	$509	2006	$0	0%
California	Los Angeles	$672	$660	2005	$12	2%	$920	$995	2005	-$75	-8%
Colorado*	Denver	$520	$693	2005	-$173	-25%	$650	$823	2005	-$173	-21%
Connecticut	North Central Region	$650	$862	2005	-$212	-25%	$818	$1,031	2005	-$212	-21%
Delaware	New Castle County	$453	$539	2005	-$86	-16%	$528	$598	2005	-$70	-12%
District of Columbia*	Citywide	$632	$909	2004	-$277	-30%	$881	$1,178	2004	-$297	-25%
Florida	Miami-Dade County	$390	$468	2005	-$78	-17%	$420	$511	2005	-$91	-18%
Georgia	Fulton County (Area 3)	$420	$530	2005	-$110	-21%	$480	$520	2005	-$40	-8%
Hawaii	Oahu	$500	$520	2005	-$20	-4%	$700	$923	2005	-$223	-24%
Idaho	Boise Metro Area (Region IV)	$492	$518	2004	-$26	-5%	$594	$638	2004	-$44	-7%
Illinois*	Metropolitan Region	$527	$788	2004	-$261	-33%	$731	$979	2004	-$247	-25%
Indiana	Marion	$619	$619	2005	$0	0%	$714	$714	2005	$0	0%
Iowa	Statewide	$480	$500	2004	-$20	-4%	$580	$620	2004	-$40	-6%
Kansas	Douglas & Johnson Counties	$608	$703	2002	-$95	-14%	$873	$1,025	2002	-$152	-15%
Kentucky	Central Region	$380	$387	2003	-$7	-2%	$460	$480	2003	-$20	-4%
Louisiana	Statewide	$363	$396	2005	-$33	-8%	$385	$418	2005	-$33	-8%
Maine	Cumberland County	$701	$701	2004	$0	0%	$801	$801	2004	$0	0%
Maryland*	Region W	$495	$612	2005	-$117	-19%	$779	$974	2005	-$195	-20%
Massachusetts	Boston Region	$752	$875	2003	-$123	-14%	$1,117	$1,370	2003	-$253	-18%
Michigan	Wayne County	$438	$758	2005	-$320	-42%	$653	$1,202	2005	-$549	-46%
Minnesota	Hennepin	$811	$901	2005	-$90	-10%	$1,088	$1,234	2005	-$146	-12%
Mississippi	Statewide	$303	N/A	N/A	N/A	N/A	$329	N/A	N/A	N/A	N/A
Missouri	St. Louis (Metro Region)	$331	$660	2004-05	-$329	-50%	$557	$823	2004-05	-$265	-32%
Montana	Billings Region	$433	$433	2004	$0	0%	$541	$541	2004	$0	0%
Nebraska	Urban Counties	$541	$602	2005	-$61	-10%	$693	$745	2005	-$52	-7%
Nevada	Clark County	$498	$860	2004	-$362	-42%	$671	$974	2004	-$303	-31%
New Hampshire	Manchester	$554	$650	2003	-$95	-15%	$657	$779	2003	-$122	-16%
New Jersey	Statewide	$552	$723	2004	-$171	-24%	$669	$808	2004	-$139	-17%
New Mexico	Metro Areas Statewide	$386	$520	2005	-$134	-26%	$468	$585	2005	-$117	-20%
New York*	New York City	$779	$779	2005	$0	0%	$1,247	$1,247	2005	$0	0%
North Carolina*	Mecklenburg County	$594	$702	2005	-$108	-15%	$632	$803	2005	-$171	-21%
North Dakota	Statewide	$460	$470	2005	-$10	-2%	$400	$404	2005	-$4	-1%
Ohio	Metro Counties	$580	$609	2004	-$30	-5%	$736	$772	2004	-$36	-5%
Oklahoma*	Metro Area	$411	$454	2005	-$43	-9%	$563	$637	2005	-$74	-12%
Oregon*	Portland Metro Area	$398	$666	2004	-$268	-40%	$545	$850	2004	-$305	-36%
Pennsylvania	Philadelphia	$617	$652	2005	-$34	-5%	$758	$801	2005	-$43	-5%
Rhode Island	Statewide	$649	$714	2004	-$65	-9%	$780	$844	2004	-$64	-8%
South Carolina*	Statewide Urban and Rural	$359	$359	2004	$0	0%	$403	$403	2004	$0	0%
South Dakota	Minnehaha County	$497	$497	2005	$0	0%	$605	$605	2005	$0	0%
Tennessee*	Top Counties in Population/Income	$394	$480	2004	-$86	-18%	$476	$606	2004	-$130	-21%
Texas	Gulf Coast Local Board	$411	$688	2005	-$277	-40%	$520	$851	2005	-$332	-39%
Utah	Statewide	$412	$433	2004	-$21	-5%	$533	$585	2004	-$52	-9%
Vermont	Statewide	$470	$600	2005	-$130	-22%	$533	$640	2005	-$107	-17%
Virginia	Fairfax County	$827	N/A	N/A	N/A	N/A	$1,005	N/A	N/A	N/A	N/A
Washington	Seattle/King County (Region 4)	$574	$770	2004	-$196	-25%	$684	$937	2004	-$253	-27%
West Virginia	Statewide	$390	$433	2005	-$43	-10%	$520	$520	2005	$0	0%
Wisconsin	Milwaukee County	$780	$780	2005	$0	0%	$1,005	$1,005	2005	$0	0%
Wyoming	Statewide	$500	$500	2004	$0	0%	$500	$500	2004	$0	0%

* indicates notes found on pages 21 and 22.

Notes for Tables 4A, 4B and 4C: Reimbursement Rates

State reimbursement rates are compared to the 75th percentile of market rates (the rate that allows parents 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 2006 were considered current if set at the 75th percentile of 2004 or more recent market rates).

The data in these tables reflect states' basic rates. Some states may have higher rates for particular types of care such as higher quality care or care for children with special needs.

States were asked to report state reimbursement rates and the 75th percentile of market rates for their state's most populous city, county, or region. Differences between state reimbursement rates and the 75th percentile were calculated using raw data, rather than the rounded numbers shown in the table.

Alabama: The percentile at which state reimbursement rates are set varies by region. Rates are reported for the Birmingham Region, which includes five counties.

Alaska: State reimbursement rates and percentiles vary by region and age of child. The percentiles at which state rates are set range from the 0th (all market rates are above the state rate) to the 100th (the state rate is above all market rates) percentile.

Arizona: Rates are reported for Maricopa County, which covers the Phoenix metropolitan area.

Arkansas: State reimbursement rates were set at the 75th percentile of 2004 market rates until July 1, 2006. As of July 1, 2006, the state updated its rates to the 75th percentile of 2006 market rates. The state reported its new rates based on 2006 market rates, rather than the rates it had in place prior to July 1st that were based on 2004 market rates.

Colorado: Each county determines its own rates.

District of Columbia: The state has tiered rates, with three levels: Bronze, Silver, and Gold. The reimbursement rates shown in the table reflect the Bronze level rates. Gold-tier providers, which meet higher quality standards, are paid at the 75th percentile of market rates.

Florida: Updates of reimbursement rates vary by local coalition, but most rates have not been updated since 2001.

Illinois: The state does not set its rates based on a market rate survey. Reimbursement rates are reported for the Metropolitan Region (referred to as Group 1A), which includes Cook, DeKalb, DuPage, Kane, Kendall, Lake, and McHenry Counties.

Kansas: For registered providers, rates are at the 60th percentile of market rates and for licensed homes and child care centers, rates are at the 65th percentile. Rates for relative providers are equal to 65 percent of rates used for registered care. Rates for regulated providers were last updated February 1, 2002. New rates were implemented for in-home care (care provided in the child's own home) on October 1, 2004 and for out-of-home relative care on January 1, 2005.

Louisiana: The percentile for the reimbursement rate varies. In 2006, reimbursement rates for center-based care and in-home care were each slightly below the 75th percentile and the rate for family child care homes was equal to the 75th percentile.

Maryland: Rates are reported for Region W, which includes Prince George's, Anne Arundel, Calvert, Charles, and Carroll Counties.

Massachusetts: The percentile for the reimbursement rate varies by type of care and region.

Minnesota: In rural counties, rates are set at either the 100th percentile of 2002 market rates increased by 1.75 percent, or at the 100th percentile of 2005 market rates, whichever is lower. Other rates are set at the 75th percentile of 2001 market rates increased by 1.75 percent, or at the 75th percentile of 2005 market rates, whichever is lower. These maximum rates became effective January 1, 2006 with full implementation for services provided beginning in March 2006.

Missouri: Reimbursement rates for preschool and school-age care were set in 1991 and not reflective of a particular percentile. The reimbursement rate for infants was at the 50th percentile of 1996 market rates. Provider rates were increased in 1998 for infant care and nontraditional care. In 1999, the state introduced provider rate enhancements for care for children with special needs, accredited providers, and disproportionate share providers who care for a higher number of children receiving subsidies.

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

Nevada: The rates vary by region. The state did a market rate survey in 2004, but did not adjust its rates to the 75th percentile of the 2004 rates. Instead, it increased rates from previous levels, by 25 percent for infants, 20 percent for toddlers, and 15 percent for preschoolers and school-age children.

New Jersey: Reimbursement rates are not set at a percentile of market rates. Instead, the state makes periodic adjustments to existing rates. Also note that data on policies as of 2001 were not available, so policies as of March 2000 were used instead for this analysis.

New Mexico: The state does not set its rates as a percentile of market rates. In recent years, the state has raised rates for certain categories of providers or providers with higher quality levels, rather than raising rates for all providers. The state increased rates for accredited providers in rural areas in April 2003, added differential rate levels for higher quality providers in February 2004, and raised rates for licensed providers in rural areas in February 2005.

New York: Reimbursement rates are reported for New York City, including Kings, Queens, Richmond, Brooklyn, and Bronx Counties.

North Carolina: In 2003, the state used a 2000 market rate survey to adjust certain rates by 1 to 3 percent. Also note that the state has a tiered rate system with five levels. The rates reported in the table are for Three Star Centers, since the largest number of providers qualify for this rate.

North Dakota: The reimbursement rate varies by provider type. For centers, the rate for infants is at approximately the 72nd percentile, the rate for toddlers is at approximately the 67th percentile, and the rate for three- to five-year-olds is at approximately the 75th percentile. For family child care, the rates are at approximately the 74th percentile for infants, the 75th percentile for toddlers, and the 52nd percentile for three- and four-year-olds. (State rates for school-age care are above the 75th percentile of market rates for school-age care because the state uses the same rates for children ages three to thirteen.)

Oklahoma: The percentile for the reimbursement rate varies by type of care, age of child, and region. The maximum state reimbursement rate is at the 85th percentile of market rates, but the majority of the reimbursement rates are below the 85th percentile. Also note that the state has a tiered rate system with three levels. The rates reported in the table are for Two Star Centers, since the majority of centers are at this level. Two Star centers operate in compliance with appropriate licensing requirements and additional quality criteria, and meet requirements for master teachers, staff compensation scales, and program evaluation.

Oregon: The percentile for the reimbursement rate varies by type of care, age of child, and region. The average rate for toddler care is at the 21st percentile of 2004 market rates. Rates range from the 10th percentile to the 90th, but few rates are at either extreme. Reimbursement rates are reported for Rate Area A, primarily the Portland Metropolitan Area.

Pennsylvania: The percentile varies by type of care, age of child, and region. In 2006, state reimbursement rates were set at least at the 52nd percentile of 2005 market rates for centers and at least at the 38th percentile for family child care.

South Carolina: The reimbursement rates shown in the table are for urban child care centers that meet licensing standards (referred to as "participating providers"). Providers that meet higher standards (referred to as "enhanced providers") receive higher reimbursement rates. The state's market rate survey included categories for enhanced providers and participating providers and the 75th percentile was obtained for each type.

Tennessee: The percentile for the reimbursement rate varies by type of care, age of child, and region. The reimbursement rates reported apply to counties that were among the top 15 in average population in 2003 and/or among the top 15 in per capita income in 2000-2002. There were 20 counties that met one or both of these criteria. There is a separate set of reimbursement rates that apply to the remaining counties.

Texas: Localities have flexibility in determining maximum reimbursement rates. In most localities, the rates are below the 75th percentile of current market rates.

Utah: The state adjusted its infant rates in 2001. All other rates were last adjusted prior to 2001.

Vermont: Reimbursement rates were updated in 2005 for licensed centers serving infants/toddlers and preschoolers. Other rates were last updated in 2004.

Virginia: In 2006, rates for licensed and regulated care for infants, toddlers, and preschoolers were at the 75th percentile of 2002 market rates (unless 2002 market rates were lower than existing reimbursement rates, in which case the rates were held harmless). Rates for unlicensed providers and for all school-age care were left at 2001 levels.

Washington: The percentile for the reimbursement rate varies by region, age of child, and type of care. For centers, rates range from the 25th to 81st percentile for infant care, from the 27th to 49th percentile for toddlers, from the 20th to 49th percentile for preschoolers, and from the 44th to 70th percentile for school-age care. For family child care homes, rates range from the 26th to 63rd percentile for infants, from the 22nd to 67th percentile for toddlers, from the 32nd to 57th percentile for preschoolers, and from the 37th to 75th percentile for school-age care.

West Virginia: Policies as of 2001 were not available, so policies as of March 2000 were used instead.

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