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NEWS RELEASE

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**STATE CHILD CARE POLICIES:
LOSS OF GROUND IN AN ALREADY BLEAK LANDSCAPE**
*New Report Finds Florida's Low-Income Families Struggle to Access Affordable,
Good-Quality Child Care*

(Washington, DC) A study released by the National Women's Law Center (NWLC) of state child care policies reveals that Florida made more cuts than improvements in desperately needed child care assistance, worsening an already bleak landscape for parents trying to afford reliable child care. The study, conducted between February of 2008 and February of 2009, also provides a preliminary look at the response of all states since February 2009 to both worsening state budget deficits and the availability of new child care funds from the American Recovery and Reinvestment Act (ARRA). Some states are proposing to or have cut their child care assistance programs but other states have used ARRA funds to maintain or expand their program.

"The current economic downturn has forced parents to count pennies when it comes to providing for their families, but child care is a basic that no family can afford to be without. Unfortunately, child care has been under-funded for years, and several states have cut their assistance programs in the last year. But the funding from the American Recovery and Reinvestment Act has helped states stave off further cuts in these critical programs," said Nancy Duff Campbell, NWLC Co-President.

NWLC's report, *State Child Care Assistance Policies 2009: Most States Hold the Line, But Some Lose Ground in Hard Times* (<http://action.nwlc.org/subsidyreport>), analyzes changes in state assistance in four areas: reimbursement rates for providers serving families receiving child care assistance, income eligibility limits to qualify for assistance, waiting lists for assistance, and co-payments required of parents receiving assistance. The study found that between February 2008 and February 2009 a majority of states did not make changes in their key child care assistance policies.

The primary source of federal funding for state child care assistance comes from the Child Care and Development Block Grant (CCDBG) and the Temporary Assistance for Needy Families (TANF) program. Both programs have been insufficiently funded; for example, the FY 2009 funding level for CCDBG, even with the ARRA funding, is only slightly above the FY 2002 funding level after adjusting for inflation.

Florida is using ARRA funds to support approximately 20,000 child care assistance slots. Some local coalitions, which administer the child care assistance program, are using the funds to create new slots and others are using the funds to maintain enrollment.

Reimbursement Rates

States determine reimbursement rates for child care providers who care for children receiving child care assistance. Low reimbursement rates deprive child care providers of resources crucial for supporting high-quality care and can discourage high-quality providers from serving families receiving child care assistance.

In Florida, where reimbursement rates vary by local coalitions across the state, rates in some communities fall short. For example, in February 2009, in Miami-Dade, the reimbursement rate for center-based care for a one-year-old was 32% below the federally recommended level.

Income Eligibility

A family's ability to obtain child care assistance also depends on a state's income eligibility limits, including whether a state makes annual adjustments for inflation to eligibility limits so that families do not become ineligible for assistance merely because their income keeps pace with inflation.

In Florida, the income eligibility limit for a family of three to qualify for assistance was \$27,465 (150 percent of poverty) in 2009, the same as a percentage of poverty as in 2008. Over half of the states have higher income eligibility limits than Florida.

Waiting Lists

Families who qualify for child care assistance generally have no guarantee that they will receive it. Instead, a state may place eligible families on a waiting list or turn away families altogether.

In April of 2009, 57,671 children were on the waiting list for child care assistance in Florida, an increase of over 10,000 more children than in 2008.

Co-payments

If states set co-payment rates too high, families may have difficulty meeting them or may be discouraged from participating in the child care assistance program at all.

In Florida, local coalitions have flexibility in setting copayments. However, the maximum copayment levels allowed under state policy and used by a local coalition is \$106 per month, or 7% of income, for a family of three with an income at 100 percent of poverty (\$18,310 a year) and one child in care or \$173 per month, or 8% of income, for a family of three with an income at 150 percent of poverty (27,465 per year) and one child in care. This represents an increase from 2008.

"While Florida has made some strides, we are still far behind where we need to be to meet the needs of our low-income children and families," said Phyllis Kalifeh, president and CEO of the Children's Forum. "We absolutely must do better, especially in these difficult economic times."

Karen Schulman, NWLC Senior Policy Analyst, and Helen Blank, NWLC Director of Leadership and Public Policy, are co-authors of *State Child Care Assistance Policies 2009: Most States Hold the Line, But Some Lose Ground in Hard Times*, available here:

<http://action.nwlc.org/subsidyreport>.

To talk to a NWLC policy expert – or for specific state-by-state information – please contact Adrienne Ammerman at 202-588-5180 or ammerman@nwlc.org.

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The National Women's Law Center is a non-profit organization that has been working since 1972 to advance and protect women's legal rights. The Center focuses on major policy areas of importance to women and their families including economic security, education, employment and health, with special attention given to the concerns of low-income women. For more information on the Center, visit: www.nwlc.org.