



Visualizing State and Territory CCDF Policies as of October 1, 2022

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If a family receives a subsidy to help pay for child care while the parent is working, does the parent have to work a minimum number of hours? Can the family continue to receive assistance if the parent loses their job and is looking for new work? If the family does qualify for a subsidy, how much will they have to pay out of pocket? The answers to these questions depend on a family's exact circumstances, including:

- the ages of the children
- the number of people in the family
- income
- where they live

Child care subsidies are provided through a federal block grant program called the Child Care and Development Fund (CCDF). CCDF provides funding to the States and Territories.¹ They use the money to administer child care subsidy programs for working families with low incomes.²

In setting up their CCDF programs, States/Territories must comply with federal guidelines,³ including (but not limited to):

- establishing income eligibility limits at or below 85 percent of state median income (SMI)
- setting the maximum age for children receiving a subsidy at under 13 years of age, or under age 19 if children have special needs
- defining the activities that qualify a family for assistance, within the federally allowed categories (employment, education, etc.)⁴

States/Territories also have the discretion to establish many other detailed policies used to operate their CCDF programs. In this brief, we present some of the policy differences across the States and Territories. The policies are taken from the CCDF Policies Database, a project funded by the Office of Planning, Research, and Evaluation within the Administration for Children and Families.⁵ The CCDF Policies Database tracks State/Territory policies over time, with hundreds of variables describing policies related to:

- child eligibility
- application and waiting list procedures
- family copayments
- provider payment rates
- other provider policies

¹ Tribes also receive CCDF Funds, but their policies are not currently captured in the CCDF Policies Database.

² In addition to providing subsidies for working families, CCDF may also support parents in education and training programs as well as parents looking for employment.

³ “States/Territories” is used throughout the brief to refer to the 50 States, the District of Columbia, American Samoa (AS), the Commonwealth of the Northern Mariana Islands (MP), Guam (GU), Puerto Rico (PR), and the Virgin Islands (VI). The CCDF Policies Database and this brief focus on State/Territory CCDF policies and do not cover Tribal CCDF policies.

⁴ A family receiving protective services may qualify based on protective services receipt in place of another qualifying activity. For more information about State/Territory policies regarding protective services see the annual report and full database detail available at <https://ccdf.urban.org>.

⁵ The data are available for public use through annual published reports and access to the full database detail at <https://ccdf.urban.org>.

This brief serves as a companion piece to the report “Key Cross-State Variations in CCDF Policies as of October 1, 2022,” providing a graphical overview of some of the policy differences across States/Territories.⁶ Each year, State/Territory administrators and program staff are asked to review and verify the data in the report.⁷

In this brief, we describe and present policies related to:

- child eligibility requirements
- family application and terms of authorization
- family copayments
- payment policies for providers

Finally, we provide information about additional resources that are available from the CCDF Policies Database project.

State and Territory Policies in Response to the COVID-19 Pandemic

Children, families, and child care providers across the country were significantly impacted by the COVID-19 pandemic that began in 2020. In response to the pandemic, the Office of Child Care provided flexibility in federal CCDF requirements that States/Territories must meet and provided ongoing guidance for how States/Territories could use their CCDF programs to support families and providers during the public health emergency.⁸ This report focuses on policies in effect on October 1, 2022. For more detailed information on the policies shown here and whether they were adopted in response to the pandemic, see the full annual report “Key Cross-State Variations in CCDF Policies as of October 1, 2022.” Additionally, because the report and this brief focus on the policies in effect as of October 1, policies that were in place prior to this date are not reflected here. However, this information can be found in the full database and project reports.⁹

⁶ For the 2022 Key Cross-State Variations report, see: Dwyer, Kelly, Danielle Kwon, Margaret Todd, and Sarah Minton (2023). Key Cross-State Variations in CCDF Policies as of October 1, 2022: The CCDF Policies Database Book of Tables. OPRE Report 2023-270, Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

⁷ In the majority of States/Territories (51 out of 56), a State/Territory contact reviewed the materials and any issues that were raised were fully resolved. In two States/Territories (Missouri and Puerto Rico), we were able to verify some of the information in the tables but had outstanding questions left after the verification period. In three cases (American Samoa, Louisiana, and the Virgin Islands), the State/Territory was unable to review the tables.

⁸ For federal guidelines on policies and waivers in response to the COVID-19 pandemic, see “CCDF Frequently Asked Questions in Response to COVID-19” available at <https://www.acf.hhs.gov/occ/faq/ccdf-frequently-asked-questions-response-covid-19#5>.

⁹ Information about States’/Territories’ policies in response to the COVID-19 pandemic can be found in the full database and supplemental project reports. To access these resources, see the project website: <https://ccdf.urban.org>

Eligibility Requirements for Families and Children

As described above, children and their families must meet certain eligibility criteria to qualify for child care subsidies under the CCDF program, including a requirement that parents be working or engaged in an approved activity. Within the federal guidelines, States/Territories establish exactly which activities they approve for eligibility. Additionally, in almost all cases, family units must have incomes at or below the federal guideline of 85 percent of state median income (SMI). The States/Territories establish the amounts for their income eligibility thresholds within the federal guidelines.

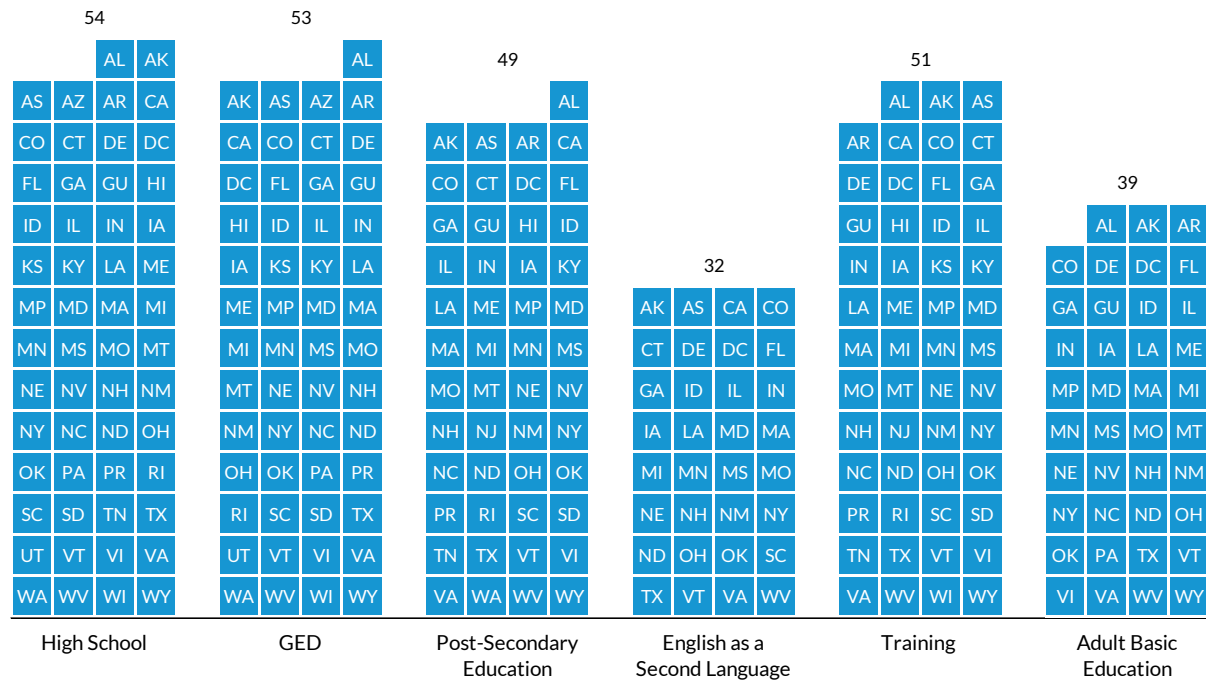
What Activities Does Each State/Territory Approve for CCDF Eligibility?

For their children to qualify for subsidies, parents and guardians typically must participate in approved activities, as defined by each State/Territory. Employment is an approved activity in every State/Territory, and many States/Territories also approve child care subsidies for parents participating in education and training activities. Figure 1 shows which States/Territories approve each of these activities:

- High school (54 States/Territories)
- GED activities (53 States/Territories)
- Post-secondary education (49 States/Territories)
- English as a Second Language activities (32 States/Territories)
- Training (51 States/Territories)
- Adult basic education (39 States/Territories)

FIGURE 1

State/Territory Approved Education and Training Activities for Eligibility (2022)



Data source: CCDF Policies Database available at <https://ccdf.urban.org>

Notes: There is a total of 56 States/Territories. States/Territories shown here approve these education and training activities, regardless of participation in work; additional States/Territories subsidize child care while the parent is in education or training only when the parent also meets minimum work requirements. States listed as approving a particular activity may not approve it in all circumstances; for example, some states provide child care subsidies while a parent is in high school only if the parent is a teen. The policy information for Adult Basic Education was not available in the caseworker manuals for the following Territories and is not included in the counts shown: American Samoa and Puerto Rico. For more information on how States/Territories define training, see the full database detail available at <https://ccdf.urban.org>.

Do States/Territories Approve Job Search as an Eligibility Activity?

In addition to employment, education, and training, States/Territories may also provide subsidies for periods of job search.¹⁰ Parents searching for a job may need child care so that they can attend interviews, work on resumes, or submit job applications.

Figure 2 shows:

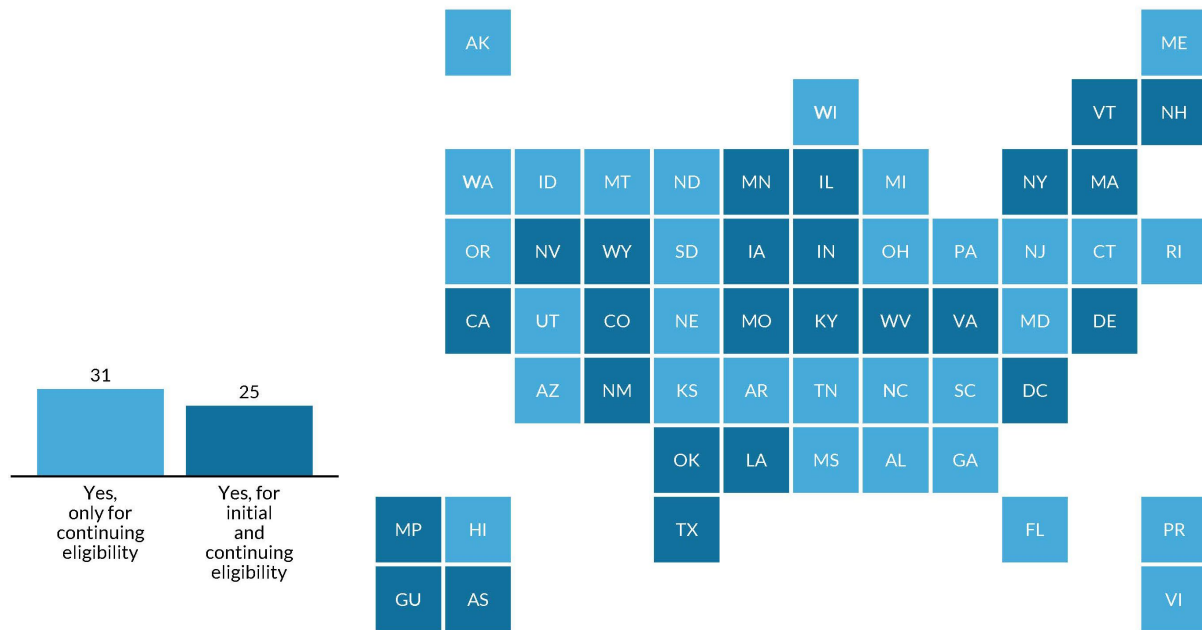
- All 56 States/Territories consider job search to be a qualifying activity for subsidized care for initial eligibility and/or continuing eligibility (during an eligibility period that is already underway).

¹⁰ Federal guidelines require States/Territories to provide a period of job search eligibility to families with parents whose allowable activities ended. For more information see <https://childcareta.acf.hhs.gov/ccdf-fundamentals/job-search-and-continuity-care>.

- Thirty-one States/Territories only allow a family to continue receiving subsidized care during a period of job search if the family was already receiving subsidies for another reason, such as employment, prior to the job search period.
- Twenty-five States/Territories consider job search a qualifying activity for both initial and continuing eligibility.

FIGURE 2

State/Territory Job Search as an Approved Activity for Eligibility (2022)



Data source: CCDF Policies Database available at <https://ccdf.urban.org>

How Many Hours Does Each State/Territory Require Parents to Work in Order to be Eligible?

Employment is a qualifying activity for child care subsidies in all States/Territories, but some programs only provide subsidies for parents/guardians working a minimum number of hours per week. In some States/Territories, parents and guardians in families qualifying under educational activities may also be required to work a minimum number of hours in addition to their school activities.¹¹

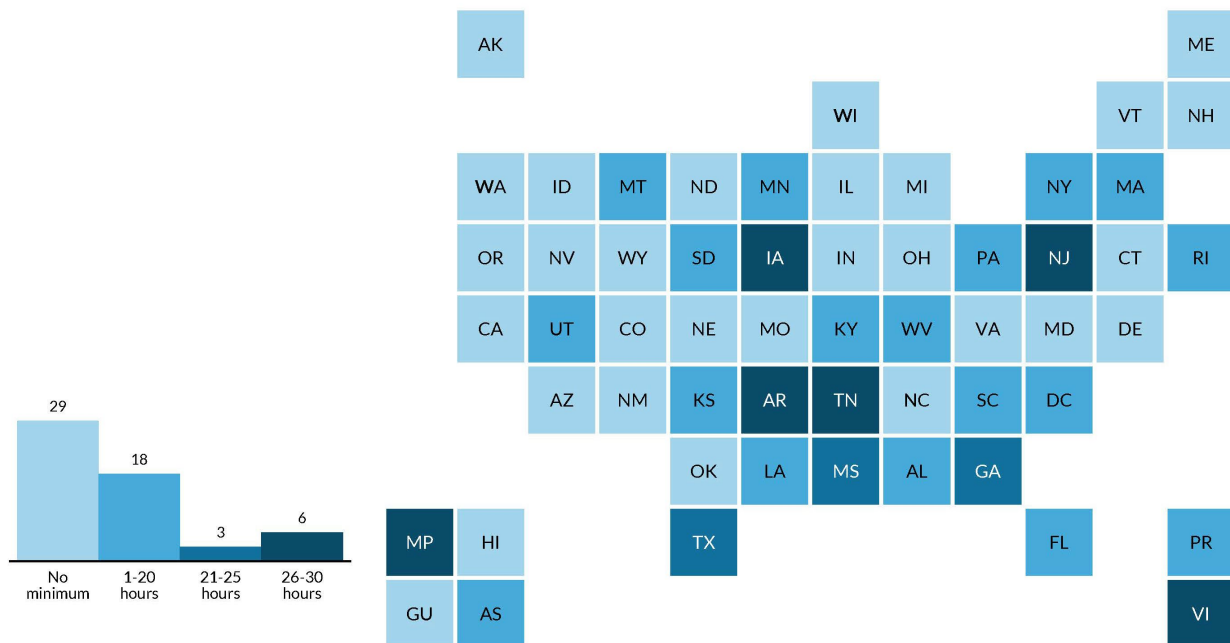
¹¹ Some States/Territories have a general activity requirement that can be met through a combination of work and school hours. If the requirement could be fully met with school hours, the database does not count this as a work requirement for students. More information can be found in the full report, “Key Cross-State Variations in CCDF Policies as of October 1, 2022: The CCDF Policies Database Book of Tables.”

Figure 3 shows:

- Twenty-six States/Territories require parents and guardians to work a minimum number of hours per week to be eligible for care based on employment, and Montana requires parents and guardians to work a minimum number of hours per month (converted to a weekly amount for figure 3).
- Of the States/Territories with a minimum, the required hours range from 10 to 30 hours each week.
- For the 29 States/Territories with no explicit minimum work hour policy, the number of work hours generally affects the number of hours approved for subsidized child care.

FIGURE 3

State/Territory Minimum Work Hour Requirement Policies (2022)



Data source: CCDF Policies Database available at <https://ccdf.urban.org>

What Are the Income Eligibility Thresholds for a Family of Three?

Each State/Territory establishes a set of income eligibility thresholds at or below the federal limit of 85 percent of SMI to determine eligibility for subsidized child care. States/Territories also have the discretion to define what counts as family income when evaluating a child’s eligibility (the full CCDF Policies Database provides more information on how each State/Territory defines income). A family newly applying for subsidies must have countable monthly income at or below the program’s initial eligibility threshold for their family size to be eligible for subsidies. Additionally, States/Territories may set higher continuing eligibility thresholds, or the maximum income that a family already receiving a subsidy can have and remain eligible during the eligibility period (eligibility periods are set by the States/Territories and are typically 12 months long). In States/Territories with continuing eligibility thresholds that are higher than the initial thresholds, families who experience increases in income above the initial threshold may continue to receive

subsidies as long as their income does not exceed the higher continuing eligibility threshold. (The most recent federal regulations require all States/Territories to allow a family's eligibility to continue during the minimum 12-month eligibility period as long as their income is at or below 85 percent of SMI. States/Territories may choose to end subsidies if the family has experienced a *permanent* loss of employment, education, or training status.) Some States/Territories also use their continuing eligibility thresholds at the point of eligibility redetermination (to determine if there will be another minimum 12-month eligibility period). Other States/Territories use a different set of thresholds (such as the amounts for their initial eligibility thresholds or a third set of thresholds) at the point of eligibility redetermination.

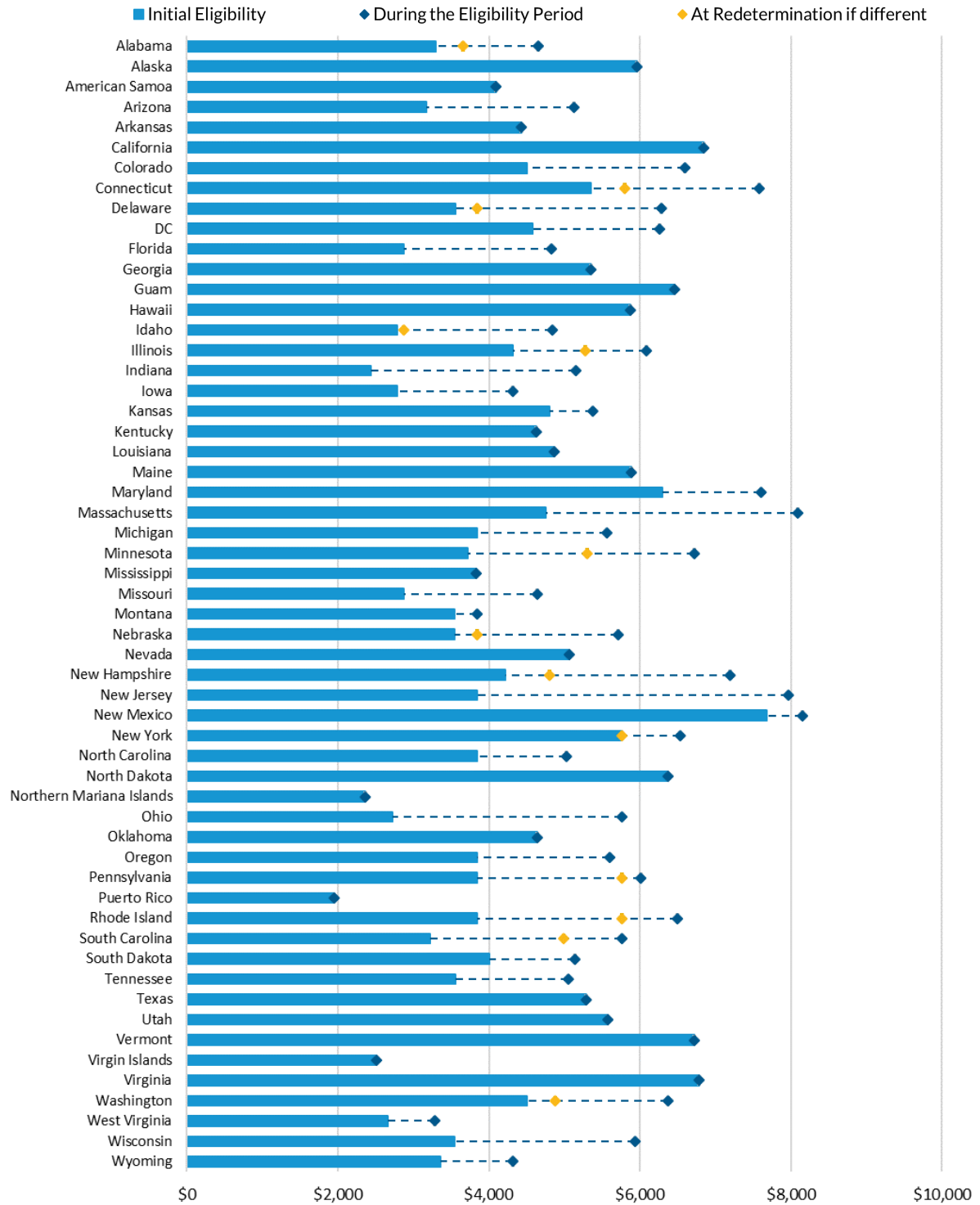
Figure 4 shows:

- Initial income eligibility thresholds for a family of three range from \$1,954 per month in Puerto Rico to \$7,677 per month in New Mexico.¹²
- For a family of three, thirty-five States/Territories use higher eligibility thresholds than used at initial eligibility for at least some families who are already receiving subsidies. Twenty-two of these States/Territories use this continuing eligibility threshold not only during the eligibility period, but also at redetermination. Twelve States use thresholds at redetermination that are above the initial amounts used but below the amounts used during the eligibility period. One state, New York, uses one set of higher thresholds during the eligibility period and another set of thresholds for both initial eligibility and redetermination.
- In States/Territories with higher continuing eligibility thresholds, the continuing eligibility thresholds for a three-person family range from 6 percent higher than the initial threshold in New Mexico to 111 percent higher than the initial threshold in Indiana and Ohio.

¹² For more information about eligibility thresholds and state median income, see Dwyer, Kelly, Danielle Kwon, Margaret Todd, and Sarah Minton (2023). Key Cross-State Variations in CCDF Policies as of October 1, 2022: The CCDF Policies Database Book of Tables. OPRE Report 2023-270, Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. As a point of comparison in considering the scale of the income eligibility thresholds, the monthly federal poverty guideline for a family of three in the contiguous States in 2022 is \$1,919; for the complete set of poverty guidelines, see “2022 HHS Poverty Guidelines” available at <https://www.acf.hhs.gov/sites/default/files/documents/ocs/CFD-HHS-Poverty-Guidelines-2022.pdf> (PDF).

FIGURE 4

State/Territory Monthly Eligibility Threshold Policies, Family Size 3 (2022)



Data source: CCDF Policies Database available at <https://ccdf.urban.org>

Note: Federal regulations require all States/Territories to allow a family's eligibility to continue during the eligibility period as long as their income is at or below 85 percent of SMI, unless they have experienced a permanent change in employment, education, or training status.

Priority Policies for Eligibility

Each State/Territory CCDF program has procedures for how eligible applicants are prioritized for services when the number of eligible applicants exceeds the number of subsidies that the program can provide.

What Groups Are Given Priority for CCDF Subsidies?

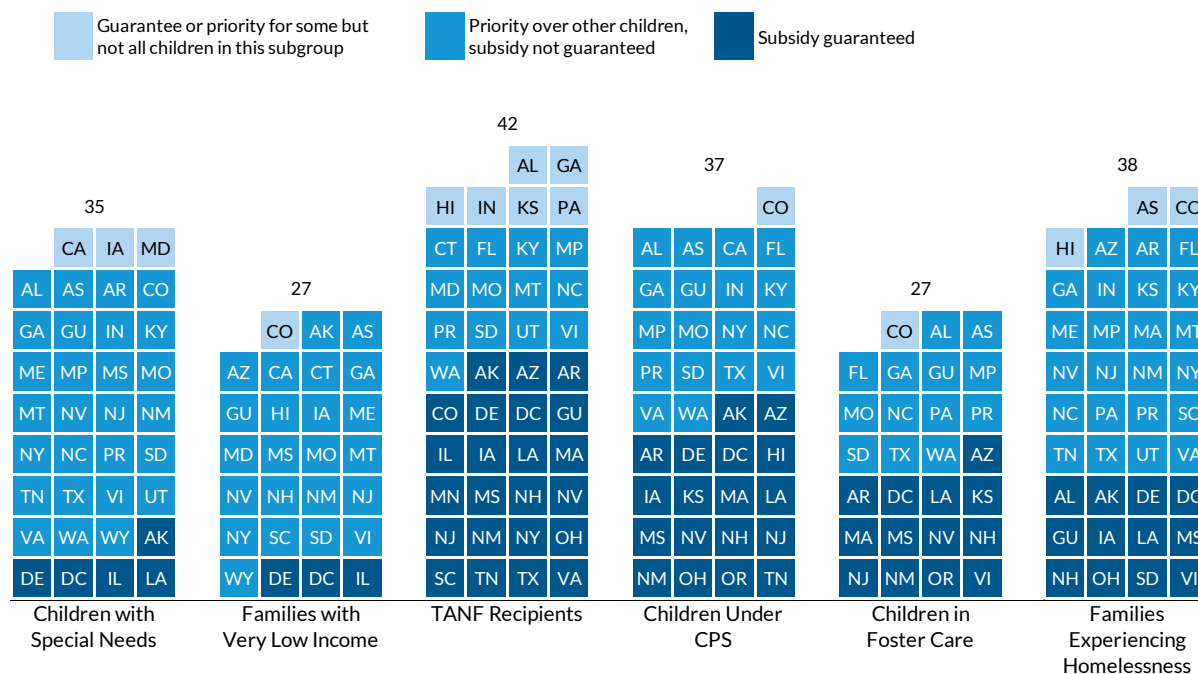
CCDF subsidies are not a guaranteed benefit. It is possible that more families will apply for and be eligible for the CCDF-funded subsidy program in a particular State/Territory than can be subsidized with the State's/Territory's available funds. To address this, States/Territories may establish priority groups among eligible families and use waiting lists for families who cannot be served immediately.

States/Territories may assign different levels or types of priority to families, including:

- guaranteeing a subsidy for the given group
- giving priority to a given group, but without a guarantee of a subsidy when funds are limited
- neither a guarantee of a subsidy nor priority for subsidies for families within a given group

FIGURE 5

State/Territory Priority Policies (2022)



Data source: CCDF Policies Database available at <https://ccdf.urban.org>.

Notes: There is a total of 56 States/Territories.

Figure 5 shows which States/Territories give some sort of priority to:

- Children with special needs (35 States/Territories)
- Families with very low income (27 States/Territories)
- Families receiving TANF (42 States/Territories)
- Children involved in the State's/Territory's Child Protective Services (CPS) program (37 States/Territories)
- Children in foster care (27 States/Territories)
- Families experiencing homelessness (38 States/Territories)

Family Copayments

Each State/Territory sets its own policies for family payments, often termed “copayments,” within the broader federal guidelines.¹³ Copayment amounts can vary by family size, income, number of children in care, and a variety of other factors.

What Groups Are Exempt from Copayments?

Many States/Territories exempt at least some families from paying any copayment; in other words, these families receive child care for free. The groups of families that are exempt vary across States/Territories.

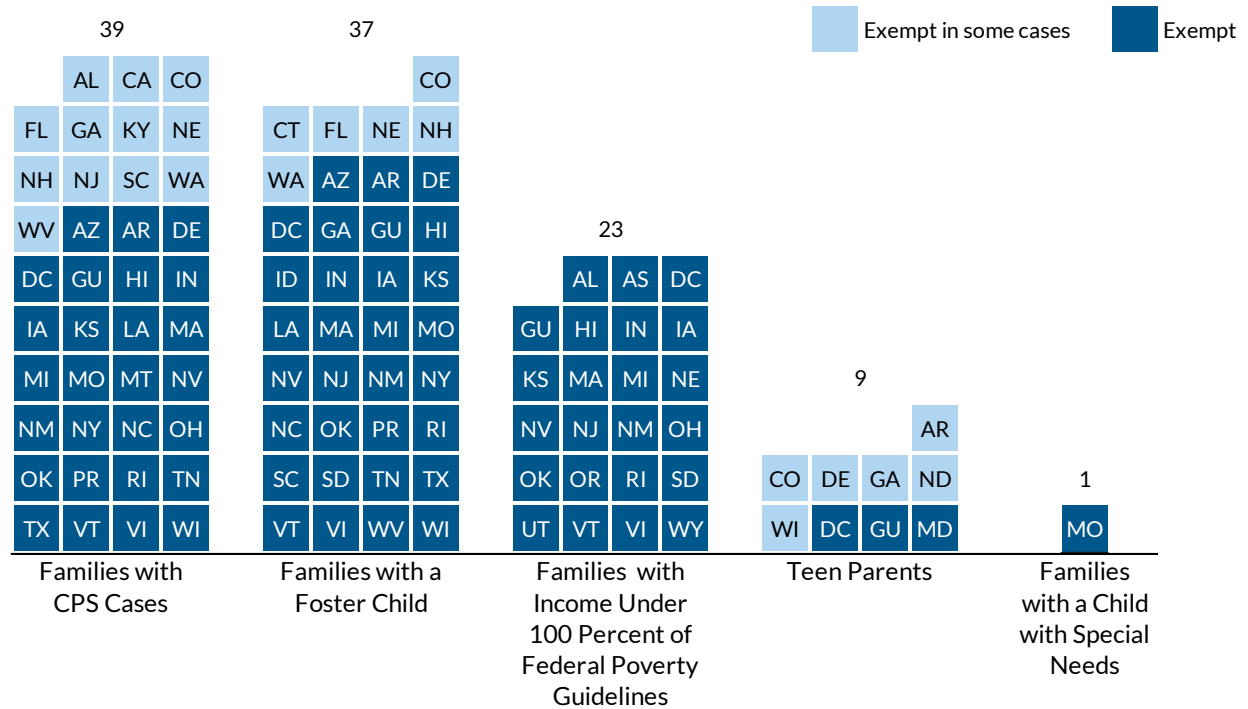
Figure 6 shows which States/Territories exempt the following groups from copayments:

- Children under the State's/Territory's CPS program (39 States/Territories)
- Children in foster care (37 States/Territories)
- Families with income under 100 percent of the Federal Poverty Guidelines (23 States/Territories)
- Teen parents (9 States/Territories)
- Families with children with special needs (1 State)

¹³ The CCDF Final Rule, published September 30, 2016, provides information about the federal guidelines for establishing family copayments. The Final Rule is available from the Federal Register at <https://www.federalregister.gov/documents/2016/09/30/2016-22986/child-care-and-development-fund-ccdf-program>.

FIGURE 6

State/Territory Copayment Exemption Policies (2022)



Data source: CCDF Policies Database available at <https://ccdf.urban.org>

Notes: There is a total of 56 States/Territories.

What Are the Copayments for a Family of Three?

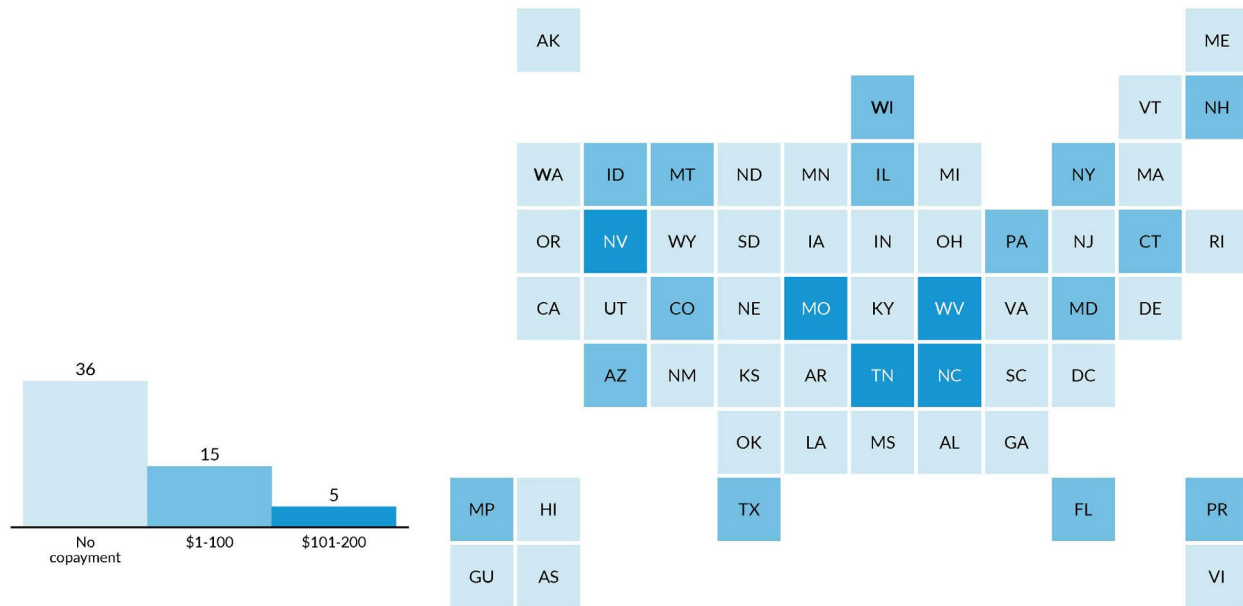
After determining income level and family size, each family in need of care (and not exempt from copayments) is assigned a copayment amount. The amounts vary greatly across States/Territories, and States/Territories may factor in the number of children in care, ages of the children, family income, and amount of care received. To compare the copayments in a consistent way, we consider a specific situation: a single parent with a two-year-old child and a four-year-old child in full-time child care.

Figure 7A shows:

- Fifteen States/Territories require a monthly copayment of \$1 to \$100 for a three-person family (a single parent with a two-year-old and a four-year-old) earning \$15,000 annually.
- Five States/Territories require a monthly copayment higher than \$100 for a family in this situation.
- The remaining 36 States/Territories do not require any copayment. (Some States/Territories waived copayments during the COVID-19 pandemic. See the full annual report for more information.)

FIGURE 7A

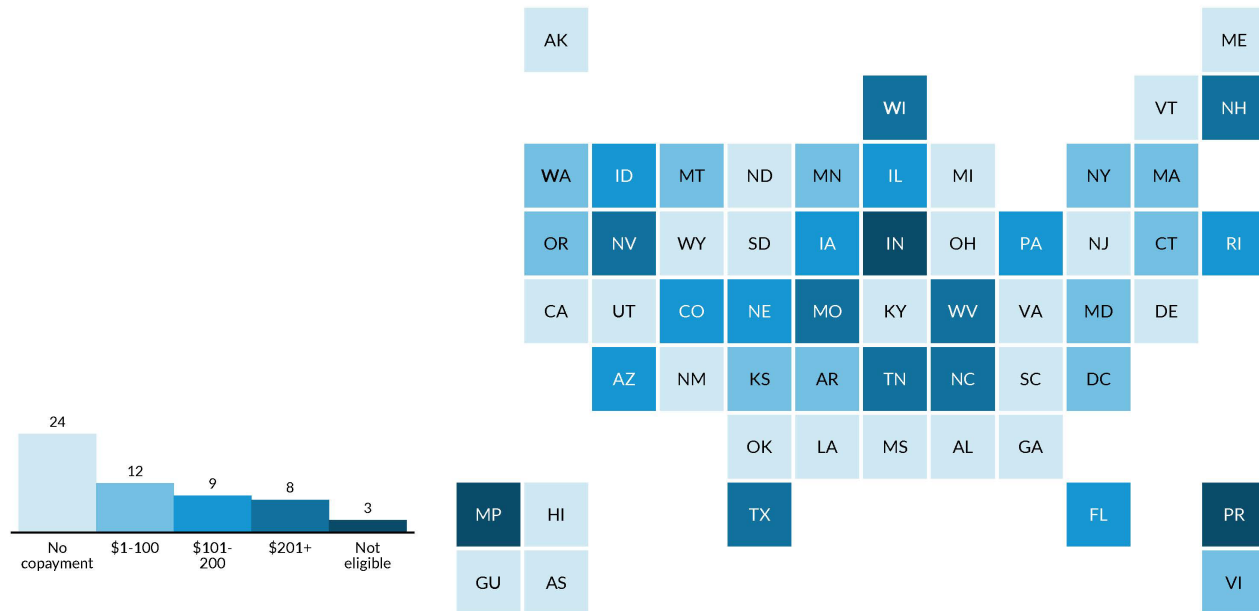
State/Territory Monthly Copayment Policies for a Family of Three Earning \$15,000 Annually (2022)



Data source: CCDF Policies Database available at <https://ccdf.urban.org>

FIGURE 7B

State/Territory Monthly Copayment Policies for a Family of Three Earning \$30,000 Annually (2022)



Data source: CCDF Policies Database available at <https://ccdf.urban.org>

Figure 7B shows:

- Seventeen States/Territories require monthly copayments over \$100 a month for a three-person family (a single parent with a two-year-old and a four-year-old) earning \$30,000 annually.
- In three States/Territories, a three-person family (a single parent with a two-year-old and a four-year-old) earning \$30,000 annually is not eligible for subsidized child care.

Payment Policies for Providers

Each CCDF program includes extensive policies related to child care providers. These policies operate within the context of a State's/Territory's broader policies concerning child care licensing and regulation. However, some policies related to providers are specific to the CCDF program. These include the maximum payment rates that will be paid by the State/Territory for CCDF-subsidized care.

What Are the Maximum Payment Rates for Providers?

Each State/Territory determines the maximum amounts that will be paid to child care providers for each child in care—often termed “maximum payment rates,” “payment rates,” “reimbursement rates,” or “provider payments”. The States/Territories establish these rates by conducting market rate surveys of child care prices within the state.¹⁴ Maximum payment rates affect not only what providers are paid per child but also the highest price care a family can obtain with the subsidy without paying an additional amount beyond the copayment.

Within each State/Territory, provider payment rates may differ based on a number of factors, including:

- provider type
- amount of care (full-time, part-time, before-and-after, or summer care)
- the age of the child
- geographic area of State/Territory

States/Territories may also pay higher rates to providers who qualify based on additional criteria beyond the basic licensing requirements. For example, some States/Territories use a tiered payment rate system with rates that increase as providers achieve higher quality ratings. In figures 8A and 8B, the base and highest rates area defined as:

- Base rates: the rates providers are paid prior to any quality or other add-on
- Highest rates: the highest rates allowed including all additional quality or other add-ons

¹⁴ The CCDF Final Rule, published September 30, 2016, provides information about the federal guidelines for establishing provider payment rates. The Final Rule is available from the Federal Register at <https://www.federalregister.gov/documents/2016/09/30/2016-22986/child-care-and-development-fund-ccdf-program>.

The rates shown are for the most populous area in each State.

Figure 8A shows the base and highest rates for toddlers (35-months old) in licensed center care.

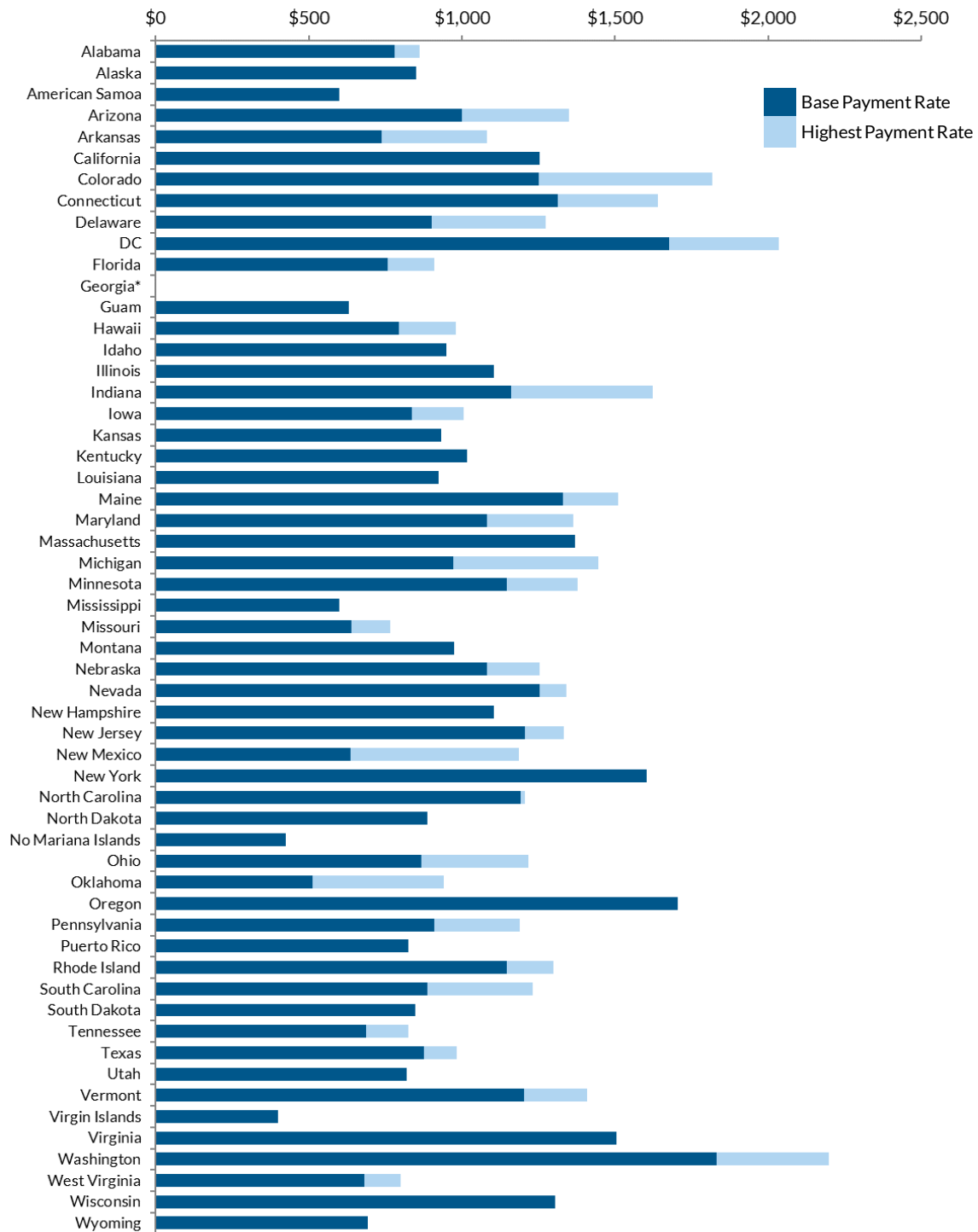
- Monthly base rates for toddler care in licensed child care centers range from \$400 in the Virgin Islands to \$1,833 in Washington.
- The average monthly base rate for toddlers in licensed center care is \$994, and the median monthly base rate is \$931.
- Thirty-one States use higher tiered or accredited rates in addition to their base rates for care provided for toddlers in child care centers.
- Georgia does not have established maximum reimbursement rates. In response to the COVID-19 pandemic, the state pays licensed and license-exempt formal child care providers their published rate for the type of care provided to the child.

Figure 8B shows the base and highest rates for toddlers (35-months old) in licensed family child care homes.

- Monthly base rates for toddler care in licensed family child care homes range from \$400 in the Virgin Islands to \$1,568 in Oregon.
- The average monthly base rate for toddlers in licensed family child care homes is \$788, and the median monthly base rate is \$758.
- Thirty-two States use higher tiered or accredited rates in addition to their base rates for care provided for toddlers in family child care homes.
- Georgia does not have established maximum reimbursement rates. In response to the COVID-19 pandemic, the state pays licensed and license-exempt formal child care providers their published rate for the type of care provided to the child.

FIGURE 8A

State/Territory Base and Highest Maximum Monthly Payment Rates for Toddlers in Licensed Centers (2022)

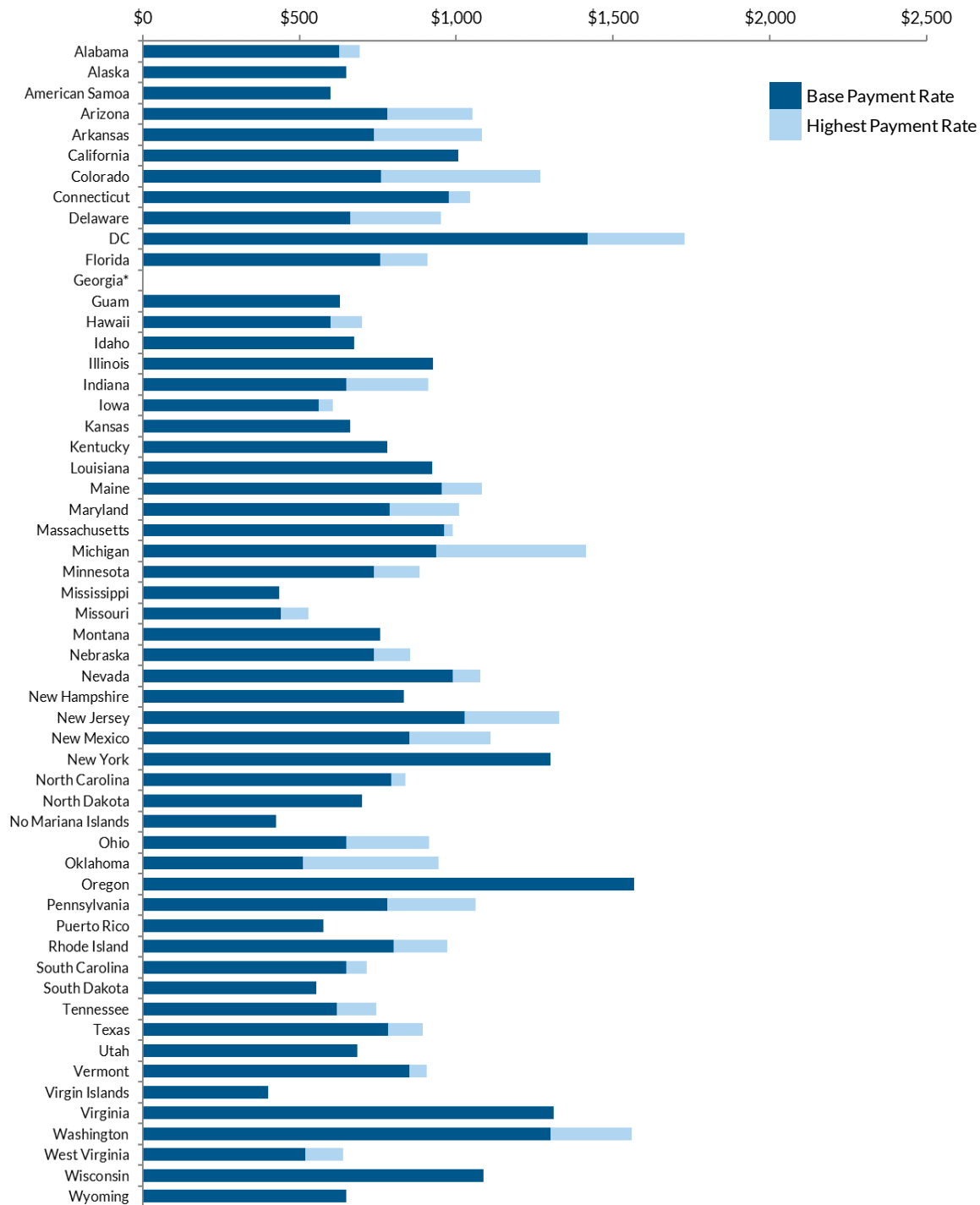


Data source: CCDF Policies Database available at <https://ccdf.urban.org>

Note: *Georgia does not have established maximum reimbursement rates. The state pays licensed and license-exempt formal child care providers their published rate for the type of care provided to the child.

FIGURE 8B

State/Territory Base and Highest Maximum Monthly Payment Rates for Toddlers in Licensed Family Child Care Homes (2022)



Data source: CCDF Policies Database available at <https://ccdf.urban.org>

Note: *Georgia does not have established maximum reimbursement rates. The state pays licensed and license-exempt formal child care providers their published rate for the type of care provided to the child.

More Information from the CCDF Policies Database

The information presented in this brief as well as more detailed policies and historical data are available for public use from the CCDF Policies Database.

Additional information from the CCDF Policies Database project can be found at <https://ccdf.urban.org/>.

Resources available on the project website include:

- Annual reports
- A search tool to create custom tables
- Full data files
- Briefs on different topics, including CCDBG Reauthorization and policies in response to the COVID-19 pandemic
- Additional information, including presentations and trainings

About the Authors

Danielle Kwon is a research associate in the Income and Benefits Policy Center at the Urban Institute. She primarily works on the CCDF Policies Database and the TRIM3 microsimulation model. Her research interests include racial and ethnic disparities in human services, early child care and education, and the experiences of Asian American and Pacific Islander communities.

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ABOUT OPRE

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