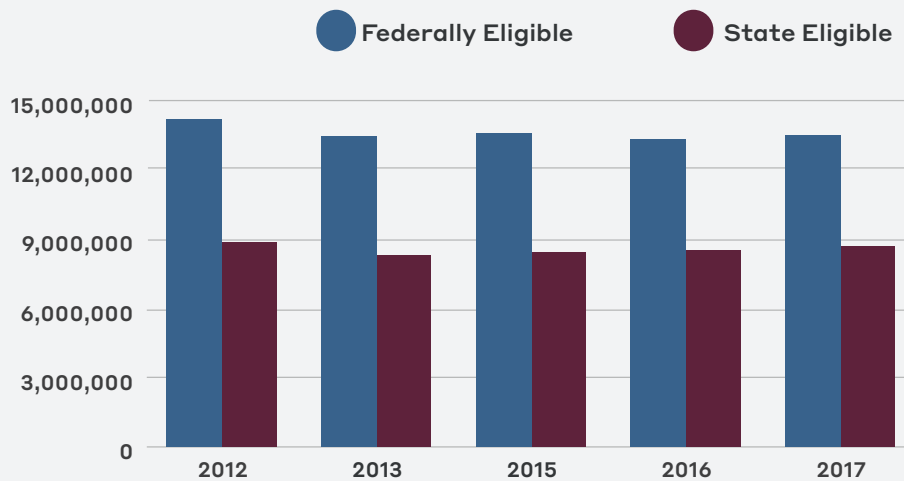


Accessing Child Care Subsidies

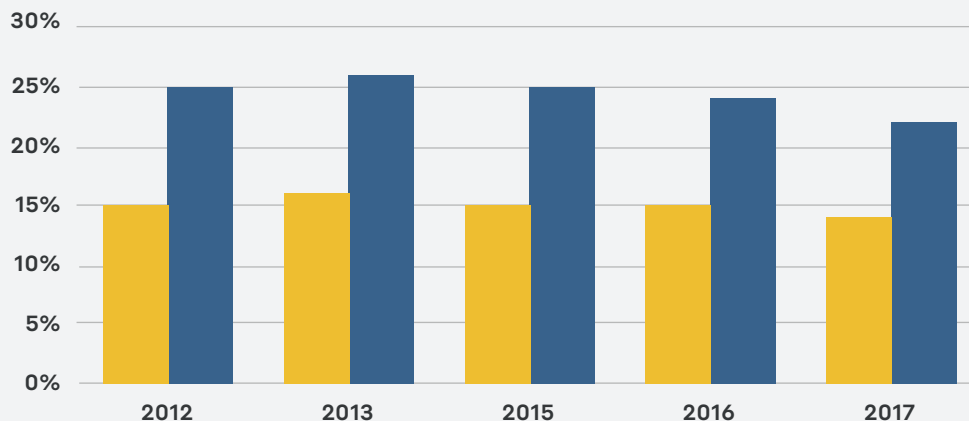
In 2018, the most recent annual data available, about 1.3 million children received a child care subsidy through the Child Care and Development Block Grant (CCDBG).¹ To receive a subsidy, federal statute has broad eligibility requirements: a child must be under age 13 and live within a household making at or below 85% of their state median income. States are also required to prioritize low-income children, children with special needs, and children experiencing homelessness, but are provided latitude on how to define and best serve these populations. Despite these efforts to provide the most at-risk children and families with a child care subsidy, inconsistent policies on eligibility combined with limited funding can result in inequitable distribution of CCDBG dollars. Consequently, it is difficult to measure if states are achieving those federally mandated goals or determine if some eligible children who might benefit from a subsidy most are being overlooked.

Comparing the number of children eligible under federal statute versus state policies from 2012-2017



Percentage of eligible children receiving subsidies who met eligibility policies at the federal and state level from 2012-2017

- Percent of state eligible children receiving subsidies
- Percent of federally eligible children receiving subsidies

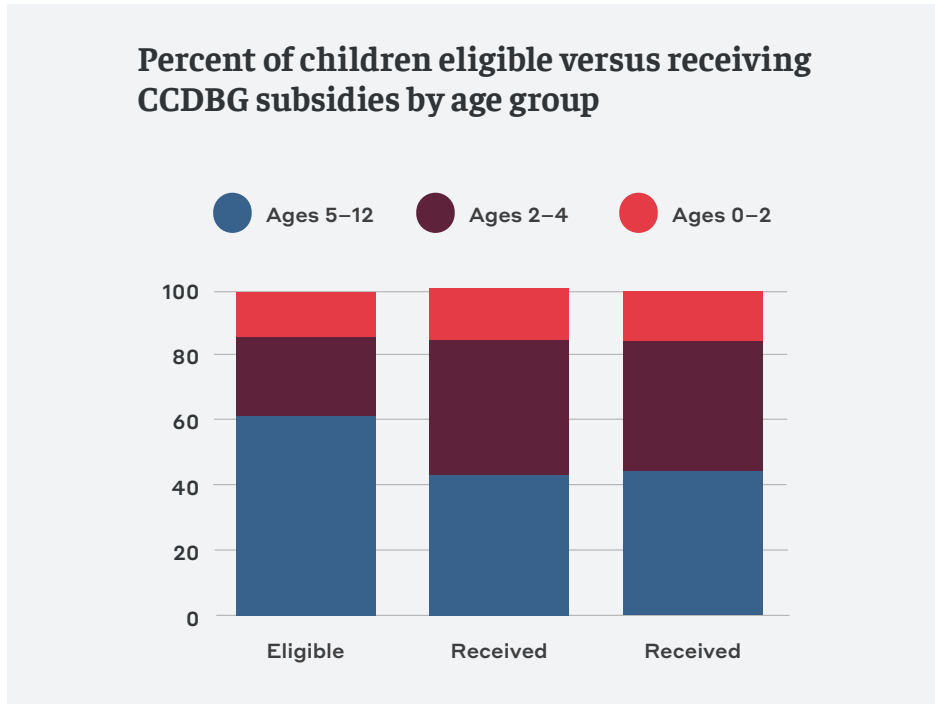


HOUSEHOLD INCOME

Though federal statute requires families to live within a household making at or below 85% of their state median income to qualify for CCDBG, states have flexibility to establish more restrictive eligibility criteria. For example, from 2016 to 2017, a monthly average of 13.5 million children under age 13 were eligible for CCDBG under federal statute, whereas only 8.7 million were eligible under their state policies. Of those 8.7 million, less than 22% (1.9 million children) received a subsidy, translating to only 14% of all federally eligible children receiving a subsidy.² However, per the statutory directive to prioritize low-income families and children, very low-income children are highly representative recipients of CCDBG subsidies, and this trend holds true for most states. From 2011 to 2012, 60% of subsidy recipients fell at or below 100% of the poverty line and represented 45.6% of all eligible children.³ The trend continued to hold true in 2017, when 46% of 4-year-old children with family incomes below the federal poverty line received subsidies, compared to 16% of children with family incomes between 150% and 199% of the federal poverty line.⁴ Single-parent households tend to have lower incomes and, consequently, almost 85% of recipient children from 2011 to 2012 lived in single-parent households.⁵ Despite the relative success in providing subsidies to low-income, single-parent households, many children and families who are eligible based on their low incomes are excluded due to a combination of limited funding, restricted state eligibility, and inadequate supply of child care slots.

AGE

Though children up to age 13 may be eligible, and children aged 5 to 12 are a majority of those eligible, children younger than age 4 receive the majority of CCDBG funds. In general, children between the ages of 2 to 4 are largely over-represented in their receipt of subsidies.



RACE

According to the U.S. Census Bureau, 21.6% of the U.S. population speak a language other than English at home.⁶ Some states report providing CCDBG subsidies to children whose primary language at home is Spanish and from 2011-2012, Hispanic children made up 35% of all eligible children nationwide.^{7,8} Despite this, Hispanic children are largely underrepresented in their receipt of subsidies: only 10.5% of eligible Hispanic children received subsidies in 2017, and the challenges Hispanic families face accessing child care extend beyond CCDBG.^{9,10} Similarly, Asian children, Asian Pacific Islanders, and American Indian/Alaska Native children each made up 1% of CCDBG recipients in 2018, and a previous analysis estimated that CCDBG only provided subsidies to 6% of eligible AI/AN children.¹¹ By contrast, Black children are usually overrepresented. From 2011-2013, they represented 25% of all eligible children but 41% of all recipients. During the same time period, white children made up 31% of all eligible children and represented 29% of all recipients.¹² The trend largely remains the same in 2017 with more eligible Black children receiving subsidies than any other group.¹³

DISABILITY

CCDBG requires states to prioritize children with special needs but does not provide a statutory definition of the term, requiring each state to interpret, and only five states—Alabama, Arizona, Mississippi, Rhode Island, and Tennessee—do not include a child with a disability in their definition.¹⁴ In 2018, most states reported that only 2% or less of children receiving a subsidy had any disabilities.¹⁵ There is limited analysis available on the scope of CCDBG eligibility for children with disabilities, but in 2018, 3.48% of U.S. children ages birth to 2 received services under Part C of the Individuals with Disabilities Education Act, and 6.75% of U.S. children ages 3 to 5 were served under Part B of IDEA.^{16,17} IDEA is a formula grant to states that provides free early intervention and special education services to children with disabilities. While not a perfect comparison, the national numbers indicate there may be a gap between the 1% to 2% of children with disabilities receiving CCDBG subsidies versus the higher percentage of children with disabilities receiving other services.

HOMELESSNESS

CCDBG rules require states to prioritize children experiencing homelessness in providing subsidies, though it gives states the flexibility to determine how best to achieve this goal.¹⁸ While most states indicate that many of the families receiving subsidies are not experiencing homelessness, there is some variation. The Office of Child Care indicated that states are still struggling to find the best way to report the number of children experiencing homelessness they serve, but in 2016, between 1% and 11% of CCDBG subsidy children were experiencing homelessness in the 18 states reporting sufficient data.¹⁹

The Takeaway

State policies are a large factor determining which children are eligible for CCDBG subsidies. Ultimately, these policies have downstream impacts for those who benefit from the subsidy. While the program successfully targets single-parent, low-income families, many eligible children will never receive a subsidy. Additionally, Hispanic and AI/AN children, children with disabilities, and children experiencing homelessness continue to be underrepresented or underreported despite efforts in federal law to prioritize them.

Endnotes

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