

# Opportunities to Improve State Child Care Systems



**Child care subsidies provide financial assistance to families with low incomes to make child care more affordable.** Access to care allows families to pursue employment or educational opportunities and fosters young children's health and wellbeing during the most rapid and sensitive period of development.

State leaders can strengthen the state child care system by removing barriers that families with low incomes experience when trying to access subsidies. Although federal rules require states to implement certain policy components to improve access and affordability, states have significant authority over the design and implementation of child care subsidy policies.

## State-level opportunities to strengthen the child care subsidy system:



**Identify sustainable investments for child care subsidy programs.**



**Institute eligibility policies that allow more families to access and retain child care subsidies.**

- Increase income eligibility in tandem with child care slots.
- Lengthen the recertification period.
- Authorize additional groups to receive categorical eligibility.
- Provide applicants with temporary but immediate child care subsidies.
- Allow for a wider variety of qualifying work, training, and educational activities that meaningfully increase recipients' net income.
- Expand authorized hours of care for additional parental activities.
- Eliminate enforcement of child support as a requirement for subsidy eligibility.



## Reduce administrative burden for subsidy-eligible families.

- Invest in outreach and education to build awareness of subsidy program.
- Develop accessible application materials and processes.
- Limit duplication of documentation through a common application.
- Evaluate institutional practices that directly or indirectly impact caseworker interactions with recipients.



## Institute more generous family contribution schedules.

- Exempt families who are experiencing hardships from child care copayments altogether.
- Institute copayment schedules that do not exceed 7% of a family's income.
- Eliminate additional fees charged by child care providers.



## Increase provider reimbursement rates to cover the true cost of care.

- Set reimbursement rates at the true cost of care rather than market rate.
- Allow reimbursement rates to exceed the private cost of care.
- Set differential reimbursement rates to incentivize care for underserved populations.
- Develop payment processes that respect providers as small business owners.
- Leverage contracted slots to increase supply of care for underserved populations.
- Develop inclusive quality standards and strengthen supports for providers to achieve higher quality ratings.

For additional insight into the state policy design and implementation decisions that can increase access and affordability of child care subsidies, [see our state policy lever checklist](#).

The opportunities to improve the state child care system are informed by a rigorous review of federal child care policy over the last 125 years. Our review demonstrates that subsidized care has been inaccessible and inadequate for many families with low incomes, particularly families of color. Read more [here](#).