

Child Care Subsidies

Definition

Child care subsidies is the number of children whose families receive financial assistance for child care by type of provider. *Licensed centers, licensed homes, and certified homes* are regulated by the state, while *registered providers* are not subject to licensing regulations but must meet requirements of the Child Care Assistance Program (CCAP).

Data in context

Everyone benefits when children receive quality care. Child care subsidies allow low-income parents to work while ensuring children are cared for and educated in a safe environment. Parents who use child care subsidies are more likely to maintain employment and successfully transition off of welfare.¹ Children also benefit through improved school readiness skills.²

Families incur a major expense for child care, with annual fees exceeding the cost of tuition at many of Kentucky's public colleges and universities.^{3,4} Annual fees for center-based child care in Kentucky in 2008 averaged \$5,720 for a 4-year-old child and \$6,240 for an infant.⁵ Low-income families typically spend a greater portion of their earnings on child care than other families.⁶ Subsidies help low-income families access a greater selection of child care, including care of a higher quality than they could otherwise afford, by paying some or all of the cost of care.⁷ During FFY 2006, 63 percent of Kentucky families receiving subsidies paid a co-pay, which took 8 percent of family income, on average.⁸

Yet more work remains to ensure low-income children, including those receiving subsidies, have access to high-quality care. Challenges to finding quality care include a lack of options during non-traditional work hours, substantially higher costs for infant and toddler care, a limited number of high-quality providers who accept subsidies, and a lack of quality child care options in low-income communities.^{9,10}

Nationally, child care subsidies served an average of 1.8 million children each month during FFY 2006, with the majority of children served at child care centers (57 percent).¹¹ Most families using child care subsidies received them to support employment (82 percent); other reasons for receiving subsidies include receiving training or education and families at risk of child abuse and neglect.¹²



In Kentucky, families can receive child care subsidies due to income eligibility, a teen parent attending school, parents participating in the Kentucky Transitional Assistance Program (KTAP), parents working and pursuing education, foster parents, or families at risk of abuse or neglect.¹³ Child care subsidies are generally intended for children 12 and under but are also available for children up to age 18 with special needs.¹⁴ During FY 2008, nearly 80,000 Kentucky children received child care subsidies, an increase of more than 1,000 children from FY 2007.

Across the Commonwealth, child care subsidies are most frequently used for licensed child care centers (83 percent of children receiving subsidies), followed by registered providers (9 percent). Licensed centers, which have the largest capacity, served 95 percent or more of the children receiving child care subsidies in Allen, Barren, Hart, Lyon, Marion, Metcalfe, Robertson, and Trigg Counties.

The majority of Kentucky children served by child care subsidies in FY 2008 were White (62 percent), followed by Black (29 percent), and Hispanic children (4 percent). Most children attended licensed centers (Type I) in FY 2008, regardless of race. Nearly 1 in 4 Black children receiving subsidies in Kentucky attended child care at a provider's home (certified or registered provider), a higher rate than other racial groups.

Data Source: Kentucky Cabinet for Health and Family Services, Division of Child Care.

Data Note: If a child was cared for by both a licensed center and a licensed home during the fiscal year, he/she will be counted twice. Children may also appear in the count for more than one county, if they moved between counties during the fiscal year and received childcare subsidies in each location.

- 1 Matthews, H. (2006). *Child Care Assistance Helps Families Work: A Review of the Effects of Subsidy Receipt on Employment*. Center for Law and Social Policy. Available at <http://www.clasp.org>. Accessed September 2008.
- 2 Winsler, A. (2008). "School Readiness Gains Made by Ethnically Diverse Children in Poverty Attending Center-Based Childcare and Public School Pre-kindergarten Programs." *Early Childhood Research Quarterly*, vol. 23, no. 3.
- 3 Kentucky Council on Postsecondary Education. *Kentucky Public Colleges and Universities – Full-Time Undergraduate Resident Tuition and Fees (Annual Rates)*. Available at <http://cpe.ky.gov>.
- 4 Data obtained from Kentucky Child Care Resource and Referral agencies, July 2008.
- 5 Ibid.
- 6 Giannarelli, L., Adelman, S., and Schmidt, S. (2003). *Getting Help with Child Care Expenses*. Assessing the New Federalism Occasional Paper No. 62. The Urban Institute. Available at <http://www.urban.org>. Accessed September 2008.
- 7 Matthews, H. (2006). *Child Care Assistance Helps Families Work: A Review of the Effects of Subsidy Receipt on Employment*. Center for Law and Social Policy. Available at <http://www.clasp.org>. Accessed September 2008.
- 8 U.S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau (2008). *FFY 2006 CCDF Data Tables*. Available at <http://www.acf.hhs.gov>. Accessed September 2008.
- 9 Paulsell, D., Cohen, J., Stieglitz, A., Lurie-Hurwitz, E., Fenichel, E., and Kisker, E. (2002). *Partnerships for Quality: Improving Infant-Toddler Child Care for Low-Income Families*. Mathematica Policy Research, Inc. Available at <http://www.mathematica-mpr.com>. Accessed September 2008.
- 10 National Association of Child Care Resource & Referral Agencies (2006). *Child Care in Thirteen Economically Disadvantaged Communities*. Available at <http://www.naccrra.org>. Accessed September 2008.
- 11 U.S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau (2008). *FFY 2006 CCDF Data Tables*. Available at <http://www.acf.hhs.gov>. Accessed September 2008.
- 12 Ibid.
- 13 Kentucky Cabinet for Health and Family Services, Department for Community Based Services website. *How to Apply for Child Care*. <http://chfs.ky.gov/dccs/dcc/apply.html>. Accessed September 2008.
- 14 Ibid.

Children receiving child care subsidies (number of children)

	FY 2008			
	Licensed centers	Licensed homes	Certified homes	Registered providers
Kentucky	66,143	1,284	4,935	7,386
Adair	368	4	17	17
Allen	75	0	0	0
Anderson	235	0	40	34
Ballard	68	0	1	6
Barren	281	0	3	0
Bath	152	1	7	11
Bell	336	4	75	45
Boone	1,714	2	122	72
Bourbon	390	7	16	72
Boyd	627	26	18	33
Boyle	362	1	37	132
Bracken	148	0	13	13
Breathitt	13	0	1	1
Breckinridge	123	0	26	23
Bullitt	990	3	49	63
Butler	101	10	0	15
Caldwell	79	0	0	22
Calloway	722	0	7	45
Campbell	1,331	39	133	68
Carlisle	17	0	0	2
Carroll	45	0	0	3
Carter	203	4	42	30
Casey	103	4	2	16
Christian	1,748	12	89	404
Clark	923	9	22	79
Clay	49	2	0	19
Clinton	134	0	9	5
Crittenden	62	0	0	5
Cumberland	72	13	14	18
Daviess	1,819	0	9	124
Edmonson	77	0	0	5
Elliott	24	0	0	2
Estill	248	4	1	32
Fayette	6,026	78	269	493
Fleming	147	36	36	12
Floyd	193	10	4	10
Franklin	882	1	71	146
Fulton	61	0	3	25
Gallatin	146	0	4	7
Garrard	176	1	26	43

	FY 2008			
	Licensed centers	Licensed homes	Certified homes	Registered providers
Grant	433	4	56	33
Graves	568	0	8	46
Grayson	289	25	4	24
Green	117	0	0	14
Greenup	269	0	19	32
Hancock	34	0	14	1
Hardin	2,325	6	136	219
Harlan	283	68	21	92
Harrison	238	0	2	22
Hart	69	0	0	3
Henderson	695	0	14	55
Henry	204	9	9	4
Hickman	56	0	0	5
Hopkins	533	10	4	59
Jackson	64	4	13	24
Jefferson	15,314	258	1,968	2,431
Jessamine	1,106	28	29	89
Johnson	266	0	8	10
Kenton	2,905	26	463	200
Knott	126	0	0	11
Knox	673	99	89	102
LaRue	255	11	24	20
Laurel	643	35	16	77
Lawrence	86	0	0	6
Lee	70	0	1	7
Leslie	11	0	0	4
Letcher	100	3	0	17
Lewis	65	6	5	14
Lincoln	216	7	27	75
Livingston	34	3	0	3
Logan	150	4	4	30
Lyon	43	2	0	0
McCracken	1,626	0	36	138
McCreary	257	6	7	56
McLean	41	0	0	5
Madison	1,777	34	37	230
Magoffin	80	0	7	8
Marion	309	3	3	9
Marshall	324	0	5	36
Martin	6	0	0	1
Mason	308	6	28	19

	FY 2008			
	Licensed centers	Licensed homes	Certified homes	Registered providers
Meade	265	7	13	49
Menifee	24	0	1	2
Mercer	397	4	4	74
Metcalfe	75	0	0	0
Monroe	26	4	0	0
Montgomery	446	0	13	56
Morgan	67	0	9	3
Muhlenberg	323	0	2	19
Nelson	636	0	9	28
Nicholas	85	0	3	16
Ohio	300	0	0	36
Oldham	548	0	14	21
Owen	25	0	2	17
Owsley	2	0	0	8
Pendleton	134	0	17	4
Perry	368	0	2	28
Pike	680	3	0	34
Powell	239	0	13	28
Pulaski	1,227	53	92	87
Robertson	19	0	0	0
Rockcastle	153	33	21	42
Rowan	493	30	7	21
Russell	385	22	31	14
Scott	673	12	77	100
Shelby	641	0	90	37
Simpson	132	14	0	3
Spencer	147	0	0	10
Taylor	254	33	22	25
Todd	201	35	8	22
Trigg	119	3	0	2
Trimble	19	4	16	0
Union	151	0	2	9
Warren	1,206	11	20	49
Washington	134	1	9	23
Wayne	408	20	72	62
Webster	31	0	9	0
Whitley	446	50	97	39
Wolfe	10	11	34	5
Woodford	416	6	3	30