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Child care remains out of reach for many low-income families

(Louisville, Ky.) Although research clearly demonstrates that investing in high-quality child care pays off for children and lays the groundwork for their success in school and the workforce, a report released today by the National Women's Law Center (NWLC) shows that Kentucky continues to under-fund programs that help low-income families access and pay for child care. The problem is likely to get worse because new welfare work requirements imposed by Congress early this year increase the need for child care assistance.

NWLC's 50-state analysis, *State Child Care Assistance Policies 2006 Update: Gaps in Child Care Assistance Remain, With New Challenges Ahead*, examines child care assistance policies in 2006 using 2001 as a basis for comparison. Temporary Assistance for Needy Families (TANF) funding for child care peaked in 2001, just prior to the peak of Child Care and Development Block Grant (CCDBG) funding in 2002.

"This report underlines the many challenges working parents face trying to obtain affordable child care," said Joanna Young Marks, Policy Analyst at Kentucky Youth Advocates.

Kentucky changed some of its child care policies from 2001 to 2006, including:

- Updated reimbursement rates during summer 2006, bringing provider payments in line with inflation;
- Reduced co-payments for families, making child care more affordable for those receiving assistance than in both 2001 and 2005;
- Income eligibility limits were reduced from the 2001 maximum of 165 percent of the federal poverty level to 145 percent of the federal poverty level in 2005 and 2006.

As in 2001 and 2005, Kentucky had no waiting list for child care assistance in 2006. This is good news because studies show that low-income families on waiting lists for child care assistance use care that is questionable, face added financial strain, are unable to work, or are forced to turn to welfare.

"If states want parents to succeed in the workplace and children to succeed in school, they must increase their investment in child care," Blank said.

Karen Schulman, NWLC Senior Policy Analyst, and Helen Blank, NWLC Director of Leadership and Public Policy, are co-authors of the report, *State Child Care Assistance Policies 2006 Update: Gaps in Child Care Assistance Remain, With New Challenges Ahead*.

To view the report, visit: www.nwlc.org/pdf/StateChildCareAssistancePoliciesReport2006

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