



What is Mayor Bowser proposing for child care?

Released in early 2023, DC's Comeback Plan proposes to expand family eligibility for the child care subsidy program, raising eligibility to \$90,000 (300% of the federal poverty level) for a family of four, up from the current \$75,000 (250% of the federal poverty level.)¹ The increase will benefit more families and allow the current child care subsidy spending to go further. It also advances Under 3 DC's goal of increasing child care affordability so that ultimately, no District family pays more than 10 percent of their income for child care.

Who is currently eligible for assistance with paying for child care?

A family with a child under age 13 years is eligible for a subsidy if the household earns less than 250% of the federal poverty guidelines (\$75,000 for a family of four in 2013) and is working, seeking work, in school, or attending training.²

Why does child care affordability matter?

A child's earliest years are a period of rapid cognitive, emotional, and physical growth. The quality of their relationship with their caretakers (such as a parent, grandparent, or early childhood educator) helps infants and toddlers build the neural pathways they will rely on for the rest of their lives. Affordable child care is the linchpin for a parent's ability to work and for families to have choices about the kind of child care they prefer. When child care is affordable and accessible, it reduces the stress on parents, resulting in less stress experienced by young children.

What is the child care subsidy program?

The District of Columbia's Child Care Subsidy Program ensures that low-income families can afford child care so that parents and caregivers can work, attend school, or pursue training. A combination of federal funds, from the Child Care Development Fund (CCDF) and local funds, from the Office of the State Superintendent of Education (OSSE) support the program, which pays child development facilities to cover the difference between a family's financial contribution and the cost of care for each child. OSSE administers the funding, while the Department of Human Services and in some cases individual providers determine family eligibility, using a sliding scale to determine the amount of each family's financial contribution based on family size and income.

¹https://dmped.dc.gov/sites/default/files/dc/sites/dmped/page_content/attachments/DC%27s%20Comeback%20Plan_Full1923.pdf

² Children are eligible once they are six weeks old. Children with disabilities may be eligible until they turn nineteen years-old. In the District, children between six weeks and 12-years-old experiencing homelessness or in protective services are categorically eligible for a child care subsidy.

Employers also benefit when their employees have stable, affordable child care arrangements, and the local economy benefits when more people work. In the District, where wealth is concentrated in white households, affordable child care can alleviate the financial strain on Black and Latino families with young children.

What is the potential impact of this expansion?

Currently, there are roughly 25,000 infants and toddlers under age 3 in the District. Only 7,000 are potentially eligible for child care assistance under the current income guidelines (both numbers have decreased compared to before the COVID-19 pandemic). Under Mayor Bowser's proposed subsidy eligibility expansion, roughly 4,600 children aged 0 – 13 could benefit, of which 2,200 children are 0-5.

If eligibility were expanded even more, up to 350 percent of the federal poverty line, nearly 9,800 more children who aren't currently eligible could benefit.

The average cost of infant care, per OSSE's 2020 cost calculation, for one child in the District is more than \$24,000 a year. At this rate, a family of four with household income of \$90,000 a year, uses roughly 27% of its pre-tax household income on child care for one child. Access to child care assistance could bring this cost down to less than 10% of a family's income, saving a family of four \$15,000 a year.³

Under 3 DC's Recommendations to Lawmakers:

Increase Supply of Infant and Toddler Care

As the District expands eligibility for the child care subsidy program to include more families, increasing the number of child care slots will ensure that all families seeking child care can find it. The demand or need for child care slots has long outstripped supply.⁴ There are roughly 25,000 children under age 3 who reside in the District, and only about 12,200 licensed child care slots are available for families of all incomes. In 2019, before income and subsidy enrollment destabilization due to the COVID-19 pandemic, there were 5,173 infants and toddlers (of roughly 9,000 with family incomes at or below 250 percent of the federal poverty line, which in 2019 was \$64,375) receiving the District's child care subsidy, likely due in part to a shortage of child care slots. Expanding child care for very young children, which the District has begun to do with [Access to Quality Child Care grants](#), means making child care affordable for more families and increasing choice. In particular, expanding options for families in need of

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https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/FY22%20Sliding%20Fee%20Scale_0.pdf

⁴ Reinvestment Fund. (2018) Early Learning Supply and Demand in the District of Columbia: Using Data to Identify Critical Gaps

https://bainumfdn.org/wp-content/uploads/2018/10/Bainum_EL-Supply-Demand-Report_FNL_Nov-2018.pdf

non-traditional hour care, who live in child care deserts, or who have children with disabilities will address critical gaps in the District's child care supply.

Prioritize families with the lowest income

As more families become eligible for the subsidy program, competition for limited subsidized child care slots may increase for currently eligible families whose incomes are the lowest. OSSE should monitor participation by income and consider safeguards to prioritize the families with the lowest income for subsidized care.

Incentivize provider participation in the child care subsidy program

Only 277 out of 449 OSSE-licensed child development facilities currently participate in the subsidy program⁵. Because not all child care providers participate, families who rely on the program have fewer options than families with higher incomes. Increasing the number of child care providers participating in the subsidy program would give low-income families with more options. There may be opportunities to incentivize more providers to participate by reducing their administrative burden, increasing the daily per-child subsidy program reimbursement amount, and working directly with them to identify other ways to incentivize their participation.

Develop a long-term plan for expanding child care affordability

All children deserve early learning experiences that are high quality, that kickstart their lifetime learning journey, and that their families can afford. Currently, on average, child care costs significantly more than what the federal Health and Human Services defines as affordable child care (no more than 7% of a family's income). The District should expand publicly-funded opportunities for families to afford child care, while ensuring that child care providers receive the funding they need to provide high-quality care and education and pay their early educators fairly. One way to do this would be to fully fund the Birth-to-Three for All DC Act of 2018, which calls for the District to help families pay no more than 10% of their income for child care, starting with the lowest-income families.

⁵ <https://mychildcare.dc.gov>