

Discussion

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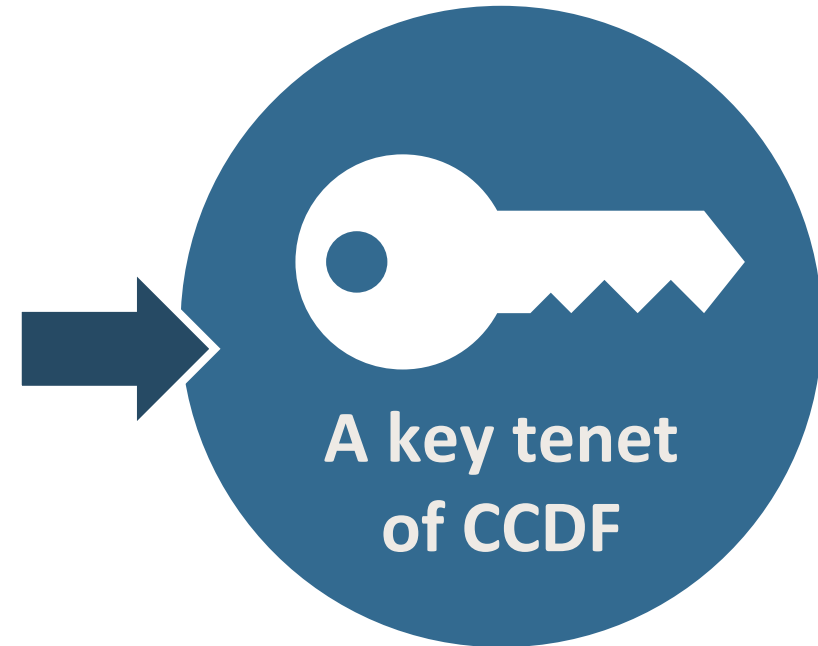
OFFICE OF CHILD CARE

Child Care and Development Fund (CCDF)

Equal Access Requirement

Ensure that families receiving CCDF dollars have the opportunity to choose from the full range of eligible child care settings

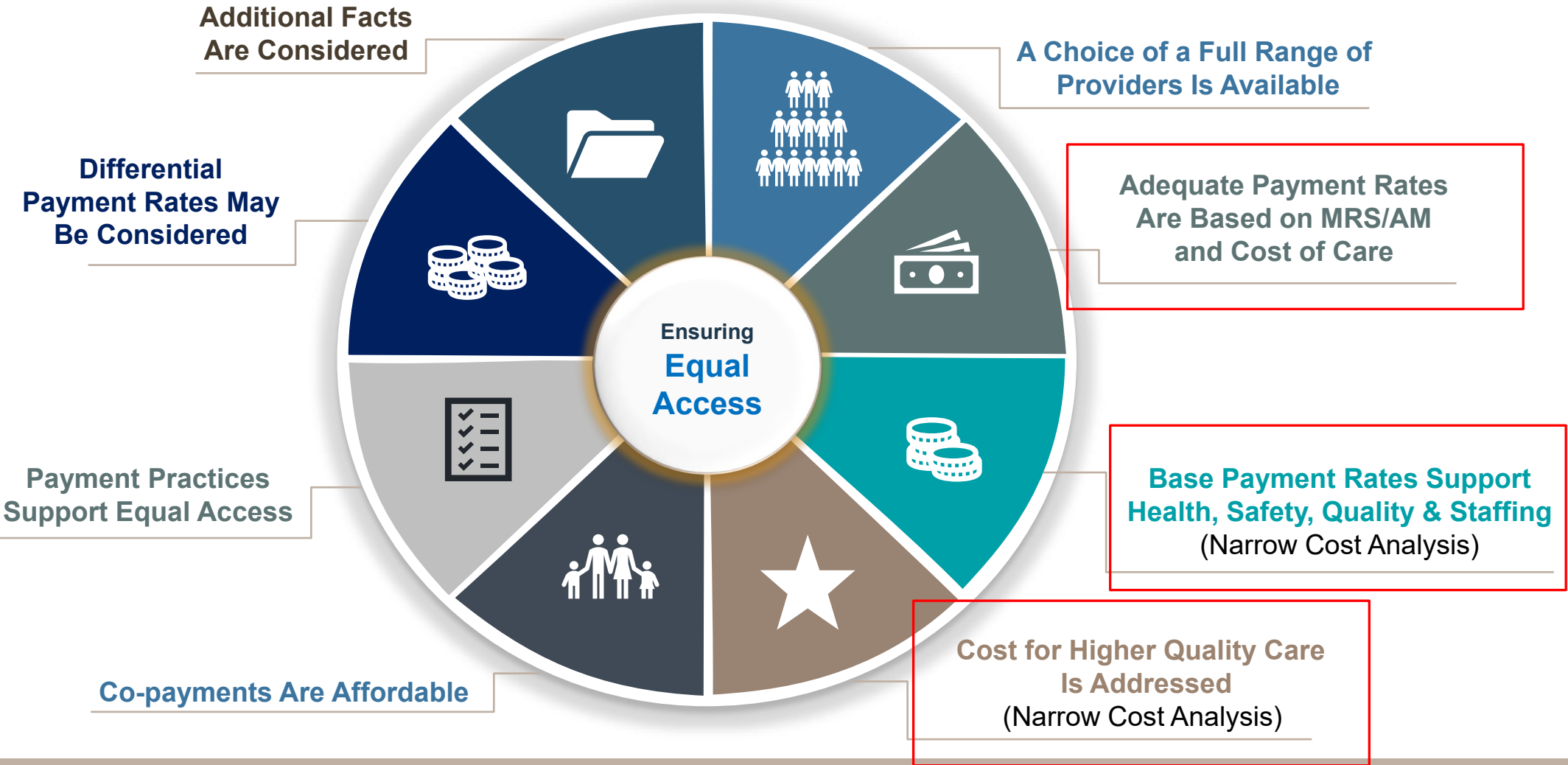
Provide families receiving CCDF with equal access to child care that is comparable to that of private-pay families to ensure parent choice



Why does ACF prioritize equal access?

- Advances equity for children and families served with federal child care subsidies
- Higher payment rates increase provider stability and supports increased wages for the workforce
- Shared goal with lead agencies to ensure all families have access to high quality child care

Equal Access Factors



Why does using cost data to set rates matter?



Price does not reflect the cost of providing care



Setting rates based only on price can perpetuate the underfunding of child care



Cost data can help break the cycle of low wages and low compensation



It can ensure that child care programs have the funds needed to provide basic health, safety and staffing.



It can ensure that child care programs can cover the cost of increasing quality care.



It provides an incentive for more child care programs to enroll children receiving subsidy.



Moving toward parents having equal access and reducing barriers

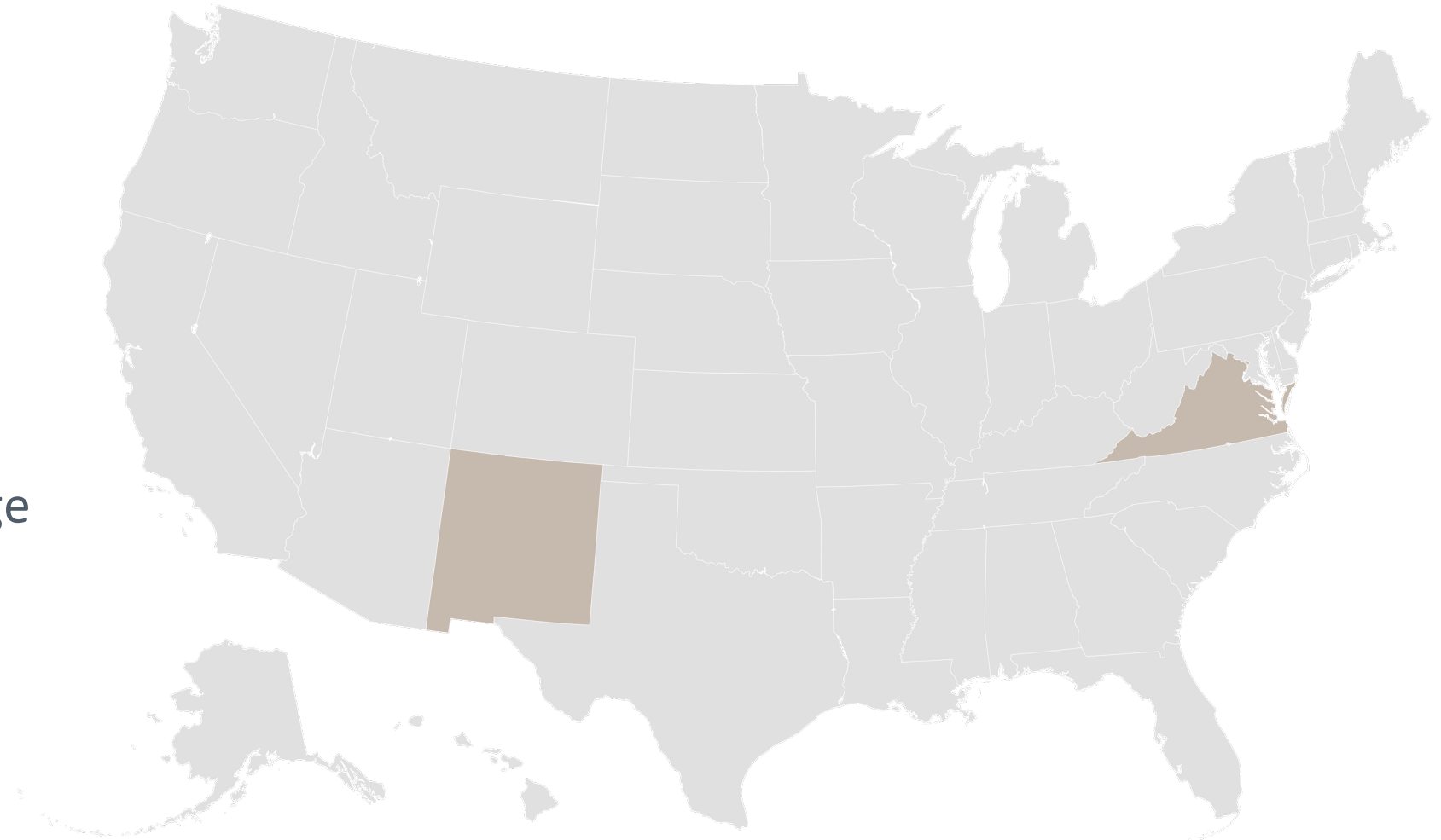
Equal Access and Cost of Care Methodologies

- OCC has prioritized using cost-based alternative methodologies, including narrow cost analysis, to inform payment rate setting and to increase rates closer to the cost of care
- OCC will provide targeted TA to lead agencies

Lead Agency Use of Alternative Methodologies

So far, only 2 states and DC use an alternative methodology that is based on cost of care to set subsidy rates

How can we encourage more?



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Today's studies – various ways to approach costs

1. State efforts to use narrow cost analysis to inform payment rates examined a variety of cost approaches used by states to inform CCDF subsidy payment rates
2. Provider Cost of Quality Calculator demonstrated one approach for estimating costs
3. Measuring Costs of Early Care and Education to Understand Pathways to Quality demonstrated differences in cost for high-quality care

For Discussion

- How do we encourage use of an alternative methodology based on cost to set rates? How do debunk the myth that is it too difficult?
- How can we help states know what “good” data is and where to start when it comes to evaluating costs?