



Child Care Assistance Position Paper
January 2010
Alaska Association for the Education of Young Children

What is it and why is it important?

Affordability of quality child care is a major issue for many Alaskan working families. The average monthly cost of full-time child care ranges from \$400-\$900 per month, depending on the age of the child and location of the care. 39,400 children under the age of six live in households where all available parents are in the workforce. Yet only 3,800 children received child care assistance in 2009.

- In Alaska, funds from the Child Care & Development Fund (CCDF) are used to subsidize the cost of child care for low income families to enable them to work.
- Under federal rules, the Child Care Assistance Program can provide financial assistance to help cover child care costs to families whose income is less than 85% of the state's median monthly income.
- Thanks to support from the legislature, child care assistance reimbursement rates were raised to the 50th percentile in 2008. In 2010 the rates will increase for infants and toddlers to the 75th percentile. This will increase options for low income families that can not pay the difference between what programs charge and the state reimburses. The recommendation from the U.S. Health and Social Services is the 75th percentile.
- The family eligibility has not been adjusted since 2002. There are an increasing number of families that do not qualify for assistance, but still can't afford to enroll their child in a legal child care program.
- Economic cost-benefit studies consistently show significant long range benefits when children from low income families receive high quality child care. Due to the financial burden of paying a required co-payment amount, in addition to the difference in what the state will reimburse for child care, families are choosing from lower priced and usually lower quality child care.

Recommendations:

- Complete the child care assistance rate adjustment to include preschool and school age children at the 75% percentile. This will allow low income children the opportunity to access higher quality programs that will lead to outcomes such as increased school readiness, and fewer children left home alone after school.
- Increase family eligibility to 85% of the state median income. This will enable more families to access child care in order to work.