

Child Care Assistance Programs

Presented By:
Minnesota Department of
Human Services

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MINNESOTA'S CHILD CARE ASSISTANCE PROGRAM (CCAP)

PROVIDING CHILD CARE ASSISTANCE FOR
FAMILIES SO:

- ⌘ Child care is affordable,
- ⌘ Children are well cared for and ready to learn,
- ⌘ Parents can work and/or attend school.

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CCAP ELIGIBILITY GUIDELINES

- ⌘ Income eligibility guidelines -- 175% FPG entry, 250% exit or \$28,158 - \$40,225 for a family size of three.
- ⌘ Families are required to pay a copayment which increases as their income increases.
- ⌘ Copayments start for families above 75% FPG.

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OTHER ELIGIBILITY CRITERIA

- ⌘ Parents must use a legal provider;
- ⌘ cooperate with child support enforcement for all children in the household with an absent parent; and
- ⌘ be in an authorized activity, such as work, job search, education, or social service activities identified in the MFIP approved employment plan.
- ⌘ Eligible children must be 12 years old or younger (or under 14 and have a handicap, as identified in 125A.02).

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PAYMENT RATES

- ⌘ The rates of all licensed providers are surveyed at least once every two years. Currently, they are surveyed annually.
- ⌘ Rates are surveyed based on age of child, provider type, county and provider's method of charging.
- ⌘ Child care payments may not exceed the maximum rate parameters identified under Minnesota Statutes 119B.
- ⌘ CCAP will pay 100% of a provider's rate, less the copayment, up to the maximum rate.

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Provider rates

- ⌘ Most maximum rates are currently set at the lesser of the 75th percentile of 2005 rates or the previous rate increased by 1.75%.
- ⌘ In counties with statewide or regional rates for child care centers, maximum rates are the lesser of the 100th percentile of 2005 rates or the previous rate increased by 1.75%.
- ⌘ If a provider charges more than the CCAP maximum, the parent must pay the difference.

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CHILD CARE ASSISTANCE CONSISTS OF 3 SUBPROGRAMS

- ⌘ MFIP Child Care is for families who receive assistance from the Minnesota Family Investment Program or Diversionary Work Program.
- ⌘ Transition Year Child Care is available to eligible families for a full year after their MFIP/DWP case closes. Transition Year Extension (TYE) continues until a family moves into BSF.
- ⌘ Basic Sliding Fee (BSF) Child Care is for other income eligible families.

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DIFFERENT FUNDING STRUCTURES

CCAP subprograms are funded 2 ways:

- ⌘ The appropriation for MFIP and TY Child Care is forecast to meet demand and funded at that level. These programs are fully funded.
- ⌘ The BSF appropriation is not forecast. This is a capped allocation.

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2005 LEGISLATIVE CHANGES

In 2005, the Legislature made 3 primary changes to CCAP:

- ⌘ Absent day – Child care providers may not be reimbursed for more than 25 absent days per child in a year, or for more than 10 consecutive days, unless the child has a documented medical condition that causes more frequent absences.
- ⌘ Copayments – Copayment fees were reduced as a percent of income.
- ⌘ Rate changes – Maximum rates were increased in most cases.

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Expenditure and caseload -- MFIP/TY Child Care Assistance

State Fiscal Year	Monthly Avg. Families	Monthly Avg. Cost per Family	Total Annual Payments
Actual			
2002	9,348	\$941.40	\$105,605,094
2003	10,198	\$999.64	\$122,332,568
2004	9,193	\$909.52	\$100,336,548
2005	8,202	\$930.89	\$91,624,101
Projected			
2006	8,875	\$950.83	\$101,257,875
2007	8,918	\$994.29	\$106,399,423

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Expenditure and caseload -- BSF Child Care Assistance

State Fiscal Year	Monthly Avg. Families	Monthly Avg. Cost per Family	Total Annual Payments
Actual			
2002	11,959	\$671.00	\$96,295,821
2003	12,540	\$685.33	\$103,128,395
2004	9,132	\$662.26	\$72,572,731
2005	8,727	\$730.84	\$76,538,703
Projected			
2006	8,433	\$750.82	\$75,977,367
2007	8,224	\$806.51	\$79,592,867

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Expenditure and caseload -- Total Child Care Assistance

State Fiscal Year	Monthly Avg. Families	Monthly Avg. Cost per Family	Total Annual Payments
Actual			
2002	21,307	\$789.63	\$201,900,915
2003	22,738	\$826.30	\$225,460,963
2004	18,325	\$786.31	\$172,909,280
2005	16,929	\$827.76	\$168,162,804
Projected			
2006	17,307	\$853.38	\$177,235,242
2007	17,142	\$904.20	\$185,992,290

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CHILD CARE FUND RESOURCES

- ⌘ Minnesota Statutes 119B
- ⌘ Minnesota Rules 3400
both at: www.leg.state.mn.us
- ⌘ All recent child care assistance bulletins can be found at: www.dhs.state.mn.us
 - Quick Links: Bulletins-
 - Bulletins: 2005
 - 05-68-05
 - 05-68-06
 - 05-68-09
 - 05-68-13
 - 05-68-15
 - 05-68-16
- ⌘ Child Care Assistance Program reports can be found at: www.dhs.state.mn.us
 - Publications
 - Reports
 - Child Care Assistance
 - Child Care
 - Research

Child Care Assistance Program
 Copayment Schedules
 SFY04 through SFY06 (Current)

Current schedule in effect SFY06 - based on SFY05 legislative changes Master schedule			SFY06 - prior to SFY05 legislative changes Master schedule			SFY 04 and 05 Master schedule		
<u>Income Range</u>		<u>Current Copayment</u>	<u>Income Range</u>		<u>Copayment</u>	<u>Income Range</u>		<u>Copayment</u>
0	74.99%	\$ -	0	74.99%	\$ -	0	74.99%	\$ -
75%	99.99%	\$5	75%	99.99%	\$10	75%	99.99%	\$10
100.00%	104.99%	3.23%	100.00%	104.99%	3.85%	100.00%	104.99%	3.85%
105.00%	109.99%	3.23%	105.00%	109.99%	3.85%	105.00%	109.99%	3.85%
110.00%	114.99%	3.23%	110.00%	114.99%	3.85%	110.00%	114.99%	3.85%
115.00%	119.99%	3.23%	115.00%	119.99%	3.85%	115.00%	119.99%	3.85%
120.00%	124.99%	3.60%	120.00%	124.99%	4.29%	120.00%	124.99%	4.29%
125.00%	129.99%	3.60%	125.00%	139.99%	4.29%	125.00%	139.99%	4.29%
130.00%	134.99%	3.60%						
135.00%	139.99%	3.60%						
140.00%	144.99%	3.97%	140.00%	144.99%	4.73%	140.00%	144.99%	4.73%
145.00%	149.99%	3.97%	145.00%	149.99%	4.73%	145.00%	149.99%	4.73%
150.00%	154.99%	3.97%	150.00%	154.99%	4.73%	150.00%	154.99%	4.73%
155.00%	159.99%	4.75%	155.00%	159.99%	5.65%	155.00%	159.99%	5.65%
160.00%	164.99%	4.75%	160.00%	164.99%	5.65%	160.00%	164.99%	5.65%
165.00%	169.99%	5.51%	165.00%	169.99%	6.56%	165.00%	169.99%	6.56%
170.00%	174.99%	5.88%	170.00%	174.99%	7.00%	170.00%	174.99%	7.00%
175.00%	179.99%	6.25%	175.00%	179.99%	7.44%	175.00%	179.99%	7.44%
180.00%	184.99%	6.98%	180.00%	184.99%	8.31%	180.00%	184.99%	8.31%
185.00%	189.99%	7.35%	185.00%	189.99%	8.75%	185.00%	189.99%	8.75%
190.00%	194.99%	7.72%	190.00%	194.99%	9.19%	190.00%	194.99%	9.19%
195.00%	199.99%	8.45%	195.00%	199.99%	10.06%	195.00%	199.99%	10.06%
200.00%	204.99%	9.92%	200.00%	209.99%	12.25%	200.00%	209.99%	12.25%
205.00%	209.99%	12.22%						
210.00%	214.99%	12.65%	210.00%	224.99%	16.10%	210.00%	224.99%	16.10%
215.00%	219.99%	13.09%						
220.00%	224.99%	13.52%						
225.00%	229.99%	14.35%	225.00%	229.99%	17.15%	225.00%	229.99%	17.15%
230.00%	234.99%	15.71%	230.00%	234.99%	19.25%	230.00%	234.99%	19.25%
235.00%	239.99%	16.28%	235.00%	239.99%	19.78%	235.00%	239.99%	19.78%
240.00%	244.99%	17.37%	240.00%	244.99%	21.35%	240.00%	244.99%	21.35%
245.00%	249.99%	18.00%	245.00%	249.99%	22.00%	245.00%	249.99%	22.00%
250.00%		INELIGIBLE	250.00%		INELIGIBLE	250.00%		INELIGIBLE

Child Care Assistance Program
 Copayment Schedules
 SFY03

SFY03

Master schedule

Percent of SMI		Copayment Percent ⁽¹⁾	2 person household % of income based on Poverty Threshold	
75.00% -	100.00%		75.00%	100.00%
100.01% -	35.00%	2%	100.01%	140.66%
35.01% -	42.00%	3%	140.67%	168.79%
42.01% -	43.00%	4%	168.80%	172.81%
43.01% -	44.00%	4%	172.81%	176.83%
44.01% -	45.00%	4%	176.83%	180.85%
45.01% -	46.00%	5%	180.85%	184.87%
46.01% -	47.00%	5%	184.87%	188.89%
47.01% -	48.00%	5%	188.89%	192.90%
48.01% -	49.00%	5%	192.91%	196.92%
49.01% -	50.00%	6%	196.93%	200.94%
50.01% -	50.50%	6%	200.95%	202.95%
50.51% -	51.00%	6%	202.96%	204.96%
51.01% -	51.50%	6%	204.97%	206.96%
51.51% -	52.00%	7%	206.97%	208.97%
52.01% -	52.50%	7%	208.98%	210.98%
52.51% -	53.00%	7%	210.99%	212.99%
53.01% -	53.50%	7%	213.00%	215.00%
53.51% -	54.00%	8%	215.01%	217.01%
54.01% -	54.50%	8%	217.02%	219.02%
54.51% -	55.00%	8%	219.03%	221.03%
55.01% -	55.50%	8%	221.04%	223.03%
55.51% -	56.00%	9%	223.04%	225.04%
56.01% -	56.50%	9%	225.05%	227.05%
56.51% -	57.00%	9%	227.06%	229.06%
57.01% -	57.50%	10%	229.07%	231.07%
57.51% -	58.00%	10%	231.08%	233.08%
58.01% -	58.50%	10%	233.09%	235.09%
58.51% -	59.00%	10%	235.10%	237.10%
59.01% -	59.50%	11%	237.11%	239.11%
59.51% -	60.00%	11%	239.12%	241.11%
60.01% -	60.50%	11%	241.12%	243.12%
60.51% -	61.00%	12%	243.13%	245.13%
61.01% -	61.50%	12%	245.14%	247.14%
61.51% -	62.00%	12%	247.15%	249.15%
62.01% -	62.50%	13%	249.16%	251.16%
62.51% -	63.00%	13%	251.17%	253.17%
63.01% -	63.50%	13%	253.18%	255.18%
63.51% -	64.00%	13%	255.19%	257.19%
64.01% -	64.50%	14%	257.19%	259.20%
64.51% -	65.00%	14%	259.20%	261.21%
65.01% -	65.50%	14%	261.21%	263.22%
65.51% -	66.00%	15%	263.22%	265.23%
66.01% -	66.50%	15%	265.23%	267.24%
66.51% -	67.00%	15%	267.24%	269.25%
67.01% -	67.50%	16%	269.25%	271.26%
67.51% -	68.00%	16%	271.26%	273.26%
68.01% -	68.50%	16%	273.27%	275.27%
68.51% -	69.00%	16%	275.28%	277.28%
69.01% -	69.50%	17%	277.29%	279.29%
69.51% -	70.00%	17%	279.30%	281.30%
70.01% -	70.50%	17%	281.31%	283.31%
70.51% -	71.00%	18%	283.32%	285.32%
71.01% -	71.50%	18%	285.33%	287.33%
71.51% -	72.00%	18%	287.34%	289.34%
72.01% -	72.50%	19%	289.35%	291.34%
72.51% -	73.00%	19%	291.35%	293.35%
73.01% -	73.50%	19%	293.36%	295.36%
73.51% -	74.00%	19%	295.37%	297.37%
74.01% -	74.50%	20%	297.38%	299.38%
74.51% -	75.00%	20%	299.39%	301.39%
75.01%	INELIGIBLE		301.40%	

⁽¹⁾ Families between 75% and 100% of poverty have a \$5 monthly copayment.

CHILD CARE FUND FISCAL AN ATISTICAL REPORT
 Month Ending November 30, 2005

01/26/2006

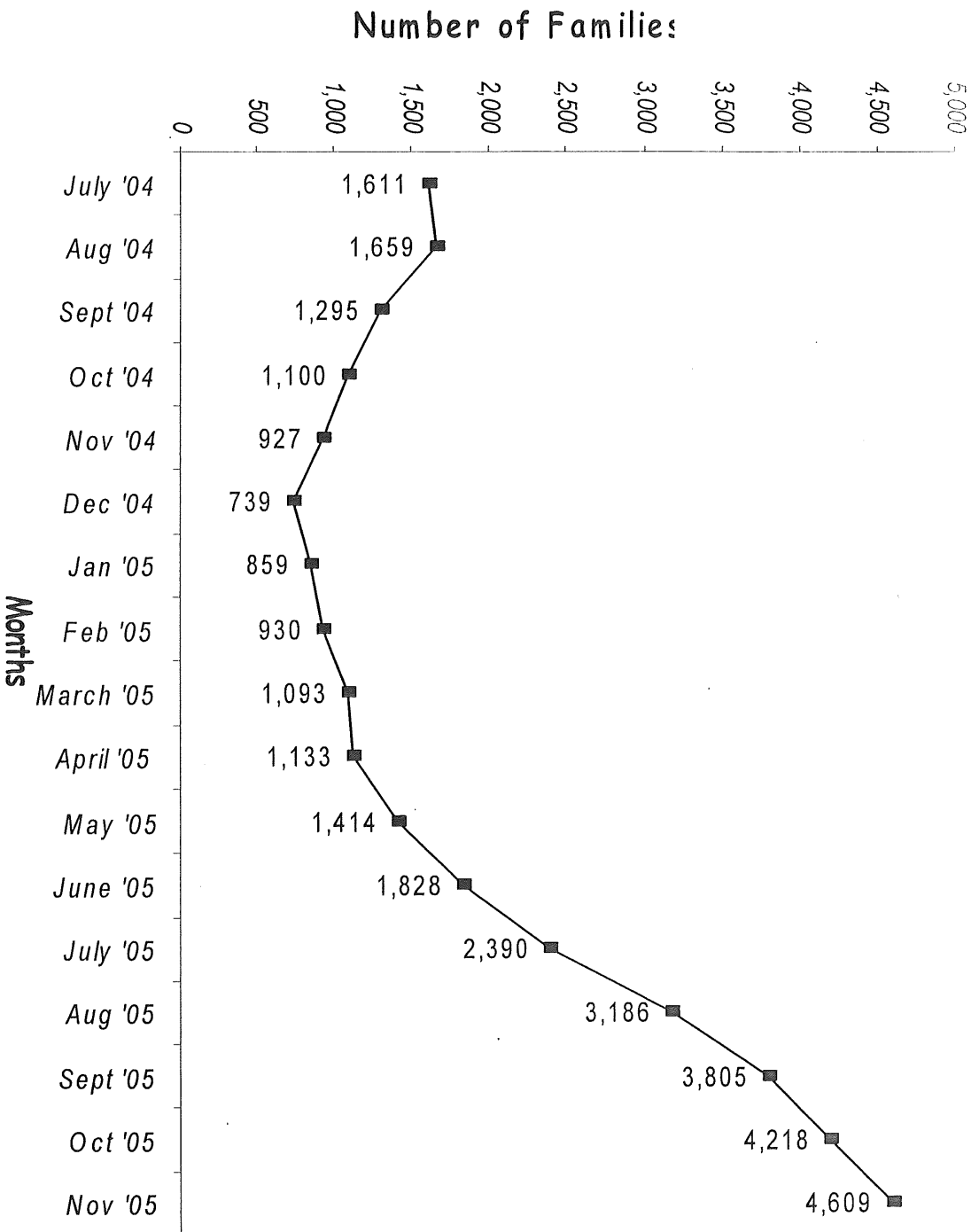
	FIRST PRIORITY STUDENTS	SECOND PRIORITY COMP TY	THIRD PRIORITY PORT POOL	FOURTH PRIORITY OTHER	TOTAL WAITING LIST
AITKIN	0	0	0	0	0
ANOKA	17	68	25	459	569
BECKER	0	0	0	0	0
BELTRAMI	0	0	0	0	0
BENTON	0	0	0	0	0
BIG STONE	0	0	0	0	0
BLUE EARTH	1	12	8	79	100
BROWN	0	0	0	0	0
CARLTON	0	0	0	0	0
CARVER	0	1	4	48	53
CASS	0	0	0	42	42
CHIPPEWA	0	0	0	0	0
CHISAGO	3	1	3	36	43
CLAY	0	0	0	0	0
CLEARWATER	0	2	0	12	14
COOK	0	0	0	6	6
COTTONWOOD	0	0	0	0	0
CROW WING	4	13	2	94	113
DAKOTA	0	67	41	340	448
DODGE	1	0	0	4	5
DOUGLAS	0	0	0	0	0
(FAIRIBAULT)					
FILLMORE	0	0	0	33	33
FREEBORN	0	0	0	40	40
GOODHUE	0	0	0	23	23
GRANT	0	0	0	0	0
HENNEPIN	7	211	28	1,223	1,469
HOUSTON	0	0	0	6	6
HUBBARD	0	0	0	23	23
ISANTI	0	0	0	0	0
ITASCA	0	0	0	0	0
JACKSON	0	0	1	11	12
KANABEC	0	0	0	0	0
KANDIYOHI	0	0	0	0	0
KITSON	0	0	0	0	0
KOOCHICHING	0	0	0	0	0
LAC QUI PARLE	0	0	0	0	0
LAKE	0	0	0	0	0
LAKE OF THE WOODS	0	0	0	1	1
LE SUEUR	0	0	0	59	59
(LINCOLN)					
LINCOLN, LYON, AND MURRAY	0	0	0	0	0
MCLEOD	0	0	0	0	0
MAHNOMEN	0	0	0	1	1

	FIRST PRIORITY STUDENTS	SECOND PRIORITY COMP TY	THIRD PRIORITY PORT POOL	FOURTH PRIORITY OTHER	TOTAL WAITING LIST
MARSHALL	0	0	0	0	0
FARIBAUT-MARTIN	0	0	0	66	66
MEEKER	0	0	0	0	0
MILLE LACS	0	0	0	0	0
MORRISON	0	0	0	34	34
MOWER	0	0	0	0	0
(MURRAY)					
NICOLLET	0	0	0	0	0
NOBLES	0	0	0	0	0
NORMAN	0	0	0	5	5
OLMSTED	0	0	0	163	163
OTTER TAIL	0	0	0	0	0
PENNINGTON	0	0	0	0	0
PINE	0	1	0	7	8
PIPESTONE	2	2	0	34	38
POLK	0	0	0	17	17
POPE	0	0	0	0	0
RAMSEY	0	50	34	647	731
RED LAKE	0	0	0	0	0
REDWOOD	0	0	0	0	0
RENVILLE	1	2	0	8	11
RICE	0	0	0	0	0
ROCK	0	0	0	0	0
ROSEAU	0	0	0	0	0
ST. LOUIS	0	0	0	0	0
SCOTT	4	13	6	167	190
SHERBURNE	0	5	5	52	62
SIBLEY	0	0	0	13	13
STEARNS	0	0	0	33	33
STEELE	0	0	0	24	24
STEVENS	0	0	0	0	0
SWIFT	0	0	0	0	0
TODD	0	0	0	0	0
TRAVERSE	0	0	0	0	0
WABASHA	0	0	0	0	0
WADENA	0	4	1	17	22
WASECA	0	0	0	0	0
WASHINGTON	0	7	7	97	111
WATONWAN	0	0	0	0	0
WILKIN	0	0	0	0	0
WINONA	0	0	0	21	21
WRIGHT	0	0	0	0	0
YELLOW MEDICINE	0	0	0	0	0
STATEWIDE TOTALS	40	459	165	4,609	4,609

Total number of counties reporting a waiting list for the month. 37

**CHILD CARE ASSISTANCE PROGRAM
BASIC SLIDING FEE PROGRAM**

Department of Human Services Child Care Waiting List Statistics



NOTE: Monthly waiting list totals may differ from waiting list distributed earlier due to revisions from counties.

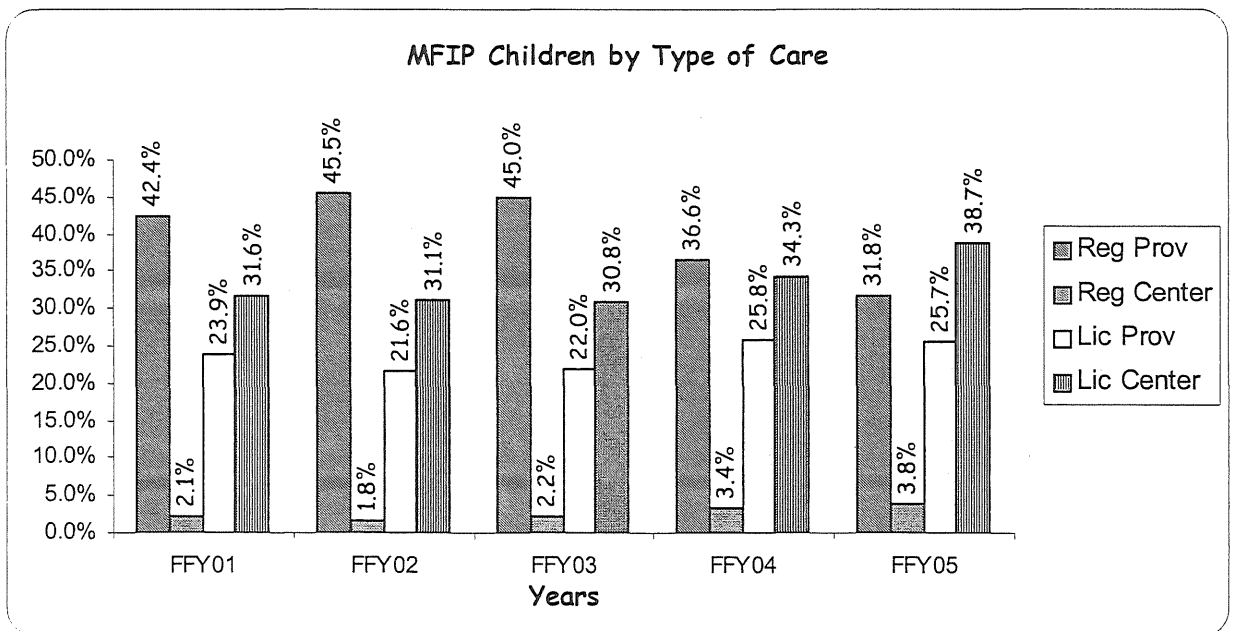
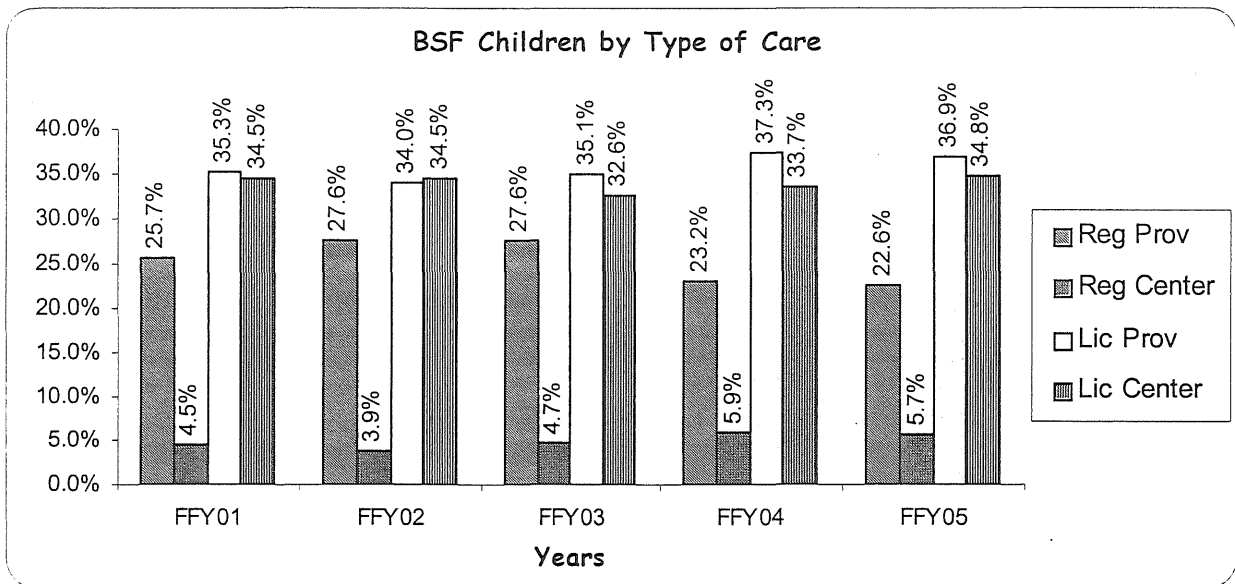
CHILD CARE ASSISTANCE PROGRAM

TYPES OF CARE TO CHILDREN IN THE CHILD CARE ASSISTANCE PROGRAM

(Based on type of provider used most frequently)

TYPE OF CARE	% OF CHILDREN
Registered (not licensed) provider	27.5%
Registered center (Primarily school age care in school districts.)	4.7%
Licensed provider in provider's home (Family & Group Family Child Care)	30.9%
Licensed child care center	36.9%

Source: Annual report, FFY05.





Minnesota Department of **Human Services**

2003 session highlights

Child care assistance changes

The 2003 Legislature made reforms to the child care assistance program (CCAP) to focus on the lowest income working families and control future growth, while helping balance the state budget. State funding was reduced by \$86 million over the biennium. Program integrity was also strengthened.

Services for the lowest income families

Child care assistance was reformed to serve the lowest income working families.

- Families earning 175 percent of the federal poverty level (\$26,705 for a family of three) or less will be eligible for the Basic Sliding Fee (BSF) program, leaving the program when their earnings are 250 percent of poverty (\$38,150 for a family of three).
- Assistance for the Minnesota Family Investment Program (MFIP) child care and the transition year (first year after leaving MFIP) remain as forecasted programs.
- Child care assistance is available for MFIP families participating in social service programs.
- Families completing their transition year who live in counties with significant waiting lists for Basic Sliding Fee can continue to receive child care assistance.

Controlling spending

Provisions were enacted to restrain future spending, by freezing child care provider rates and increasing family contributions.

- The At-Home Infant Care (AHIC) program is eliminated.
- Co-payments by parents are increased.
- Maximum provider rates were frozen at the current level.
- A study will be conducted to review current rates and recommend a new rate-setting mechanism.
- Legal nonlicensed providers will be paid hourly rates fixed at 80 percent of licensed family rates.
- Accreditation bonus payments are eliminated.
- Providers will not receive assistance payments for their own children or those in their custody.

Program improvements

Program improvements were made to strengthen program integrity and prevent fraud.

- Providers are required to repay overpayments from billing errors and provider fraud; disqualification periods are set for those convicted of fraud.
- An administrative appeal process is established for provider registration denials, penalties and disqualifications.
- Registration requirements for legal nonlicensed providers include minimum safety standards.

2004 session highlights

Child care assistance policy changes

- Reinstates AHIC, which allows families to receive a subsidy in lieu of child care assistance for up to twelve months while staying home to care for an infant. The funding source for AHIC is a pool of up to three percent of the annual appropriation for BSF.
- Requires counties to reserve a family's CCAP if the family has been receiving child care assistance but is temporarily ineligible for assistance due to increased income from active military service.

2005 session highlights

Child care assistance policy and payment changes

- Effective July 1, 2005, set child care center maximum rates in some rural counties with regional or statewide maximum rates at the current maximum rate or highest rate reported in the county in the 2002 market rate survey, whichever is greater.
- Effective October 1, 2005, limit absent days to 25 per year, 10 consecutively, exclusive of holidays, unless the child has a documented medical exception.
- Effective January 1, 2006, set all maximum rates at the 75th percentile or 100th percentile of center rates in some rural counties based on the most recent survey or at 1.75% times the July 1, 05 rates, whichever is less.
- Effective January 1, 2006 reduce copayments for families with incomes above 75% FPG.

Technical changes

Various changes were enacted in each of these years to clarify application of changes from previous sessions and simplify access to services for families.

This information is available in other forms to people with disabilities by contacting us at 651-296-1835. TDD users can call the Minnesota Relay at 711 or 1-800-627-3529. For the Speech-to-Speech Relay, call 1-877-627-3848.

Blue Earth County

Family Situation

Family of 3: 1 Adult, 2 children, ages 3 (preschooler) and 6 (school age)

Provider: Licensed Home Family Child Care

Annual Income: \$ 18,000

Example A:

Monthly Copayment = \$ 50.00

Example B:

\$ 50.00 Monthly copayment

+ \$ 47.23 rates owed to provider above CCAP maximum

= \$ 97.23 per month family responsibility

Child Age Group	75 th Percentile Rate*	Maximum CCAP Rate	Weekly rate differential	Monthly differential (weekly X 4.33 weeks)
Preschool	\$ 112.50/week	\$ 106.84/week	\$ 5.66	\$ 24.50
Schoolage(summer)	\$ 107.00/week	\$ 101.75/week	\$ 5.25	\$ 22.73

* Note: The 75th percentile rate is shown here as a "typical" provider charge, meaning that at least 75 percent of the providers in this county charge at or below this weekly rate as of the 2005 Rates Survey.

Washington County

Family Situation

Family of 3: 1 Adult, 2 children, ages 3 (preschooler) and 6 (schoolage)

Provider: Licensed Family Child Care Home

Annual Income: \$ 18,000

Example A:

Monthly Copayment = \$ 50.00

Example B:

\$ 50.00 Monthly copayment

+ \$ 77.59 rates owed to provider above CCAP maximum

= \$ 127.59 per month family responsibility

Child Age Group	75 th Percentile Rate*	Maximum CCAP Rate	Weekly rate differential	Monthly differential (weekly X 4.33 weeks)
Preschool	\$ 130.00/week	\$ 127.19/week	\$ 2.81	\$ 12.17
Schoolage(summer)	\$ 125.00/week	\$ 109.89/week	\$ 15.11	\$ 65.42

* Note: The 75th percentile rate is shown here as a "typical" provider charge, meaning that at least 75 percent of the providers in this county charge at or below this weekly rate as of the 2005 Rates Survey.

Clay County

Family Situation

Family of 4 – 2 adults, 2 children, 10 month old (infant), 3 year old (preschooler)

Provider: Child Care Center

Annual Income: \$ 44,000

Example A:

Monthly Copayment = \$ 532.00

Example B:

\$ 532.00 Monthly copayment
+ \$ 122.71 rates owed to provider above CCAP maximum
= \$ 654.71 per month family responsibility

Child Age Group	75 th Percentile Rate*	Maximum CCAP Rate	Weekly rate differential	Monthly differential (weekly X 4.33 weeks)
Infant	\$ 145 .00/week	\$ 132.28/week	\$ 12.72	\$ 55.08
Preschool	\$ 125.00/week	\$ 109.38/week	\$ 15.62	\$ 67.63

* Note: The 75th percentile rate is shown here as a “typical” provider charge, meaning that at least 75 percent of the providers in this county charge at or below this weekly rate as of the 2005 Rates Survey..

Dakota County

Family Situation

Family of 4 – 2 adults, 2 children, 10 month old (infant), 3 year old (preschooler)

Provider: Child Care Center

Annual Income: \$ 44,000

Example A:

Monthly Copayment = \$ 532.00

Example B:

\$ 532.00 Monthly copayment
+ \$ 188.70 rates owed to provider above CCAP maximum
= \$ 720.70 per month family responsibility

Child Age Group	75 th Percentile Rate*	Maximum CCAP Rate	Weekly rate differential	Monthly differential (weekly X 4.33 weeks)
Infant	\$ 275.00/week	\$ 248.27/week	\$ 26.73	\$ 115.74
Preschool	\$ 200.00/week	\$ 183.15/week	\$ 16.85	\$ 72.96

* Note: The 75th percentile rate is shown here as a “typical” provider charge, meaning that at least 75 percent of the providers in this county charge at or below this weekly rate as of the 2005 Rates Survey.

**Examples of financial responsibility for families on Child Care Assistance Programs –
Copayments and Provider Rates (1/01/06)**

County CCAP Maximum Rates (1/01/06) :

County	Type	Licensed Family CC				Child Care Centers			
		Infant	Toddler	Preschool	Schoolage	Infant	Toddler	Preschool	Schoolage
Blue Earth	Weekly	\$ 114.47	\$ 114.47	\$ 106.84	\$ 101.75	\$ 132.28	\$ 136.35	\$ 120.07	\$ 111.93
Clay	Weekly	\$ 101.75	\$ 96.66	\$ 91.58	\$ 91.58	\$ 132.28	\$ 119.56	\$ 109.38	\$ 92.85
Dakota	Weekly	\$ 152.63	\$ 132.28	\$ 127.19	\$ 111.93	\$ 248.27	\$ 202.48	\$ 183.15	\$ 178.06
Washington	Weekly	\$ 142.45	\$ 132.28	\$ 127.19	\$ 109.89	\$ 261.50	\$ 213.68	\$ 192.31	\$ 158.73

Sample County 2005 75th percentile rates:

County	Type	Licensed Family CC				Child Care Centers			
		Infant	Toddler	Preschool	Schoolage	Infant	Toddler	Preschool	Schoolage
Blue Earth	Weekly	\$ 125.00	\$ 115.00	\$ 112.50	\$ 107.00	\$ 148.00	\$ 138.00	\$ 127.00	120.00
Clay	Weekly	\$ 110.00	\$ 105.00	\$ 100.00	\$ 100.00	\$ 145.00	\$ 135.00	\$ 125.00	\$ 95.00
Dakota	Weekly	\$ 165.00	\$ 150.00	\$ 140.00	\$ 125.00	\$ 275.00	\$ 226.15	\$ 200.00	\$ 194.00
Washington	Weekly	\$ 150.00	\$ 140.00	\$ 130.00	\$ 125.00	\$ 290.00	\$ 240.00	\$ 210.00	\$ 189.00

Examples A – Family responsibility if they choose a provider who charges at or below CCAP maximums.

Examples B – Family responsibility if they choose provider who charges above CCAP maximums.

**Child Care Assistance Program
 SFY06 Monthly Copayment Schedules (after SFY05 legislative changes)
 Family Sizes 3 and 4**

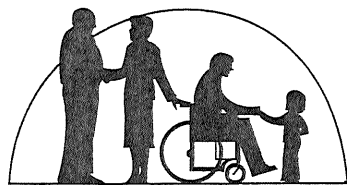
Three Person Household

Four Person Household

Federal Poverty Guidelines (FPG) \$16,090
 175% of FPG (Entrance Limit) \$28,158

Federal Poverty Guidelines (FPG) \$19,350
 175% of FPG (Entrance Limit) \$33,863

<u>Gross Income Range</u>		<u>Monthly Copayment</u>	<u>Gross Income Range</u>		<u>Monthly Copayment</u>
\$0	\$12,067	\$ -	\$0	\$14,512	\$ -
\$12,068	\$16,089	\$ 5	\$14,513	\$19,349	\$ 5
\$16,090	16,894	45	\$19,350	20,317	55
\$16,895	17,698	48	\$20,318	21,284	57
\$17,699	18,503	50	\$21,285	22,252	60
\$18,504	19,307	52	\$22,253	23,219	62
\$19,308	20,112	60	\$23,220	24,187	73
\$20,113	20,916	63	\$24,188	25,154	75
\$20,917	21,721	65	\$25,155	26,122	78
\$21,722	22,525	68	\$26,123	27,089	81
\$22,526	23,330	77	\$27,090	28,057	89
\$23,331	24,134	80	\$28,058	29,024	96
\$24,135	24,939	83	\$29,025	29,992	99
\$24,940	25,743	102	\$29,993	30,959	123
\$25,744	26,548	105	\$30,960	31,927	126
\$26,549	27,352	126	\$31,928	32,894	151
\$27,353	28,157	138	\$32,895	33,862	166
\$28,158	28,961	151	\$33,863	34,829	181
\$28,962	29,766	173	\$34,830	35,797	208
\$29,767	30,570	187	\$35,798	36,764	225
\$30,571	31,375	202	\$36,765	37,732	243
\$31,376	32,179	227	\$37,733	38,699	273
\$32,180	32,984	273	\$38,700	39,667	328
\$32,985	33,788	344	\$39,668	40,634	414
\$33,789	34,593	365	\$40,635	41,602	439
\$34,594	35,397	386	\$41,603	42,569	464
\$35,398	36,202	408	\$42,570	43,537	491
\$36,203	37,006	443	\$43,538	44,504	531
\$37,007	37,811	495	\$44,505	45,472	595
\$37,812	38,615	524	\$45,473	46,439	630
\$38,616	39,420	571	\$46,440	47,407	686
\$39,421	40,224	603	\$47,408	48,374	726
\$40,225		INELIGIBLE	\$48,375		INELIGIBLE



Minnesota Department of Human Services

Child Care Use in Minnesota

*2004 Statewide
Household Child Care
Executive Summary*



Child Care Use in Minnesota

*2004 Statewide
Household Child Care Survey*

Executive Summary

NOVEMBER 2005

Prepared by:

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Summary

Study purposes and methods

This report on a statewide telephone survey describes child care use in Minnesota among households with children 12 and younger. The survey was conducted from May 2004 through March 2005 to reflect child care use during the summer and the school year.

Interviewers spoke with one adult in each household who was most knowledgeable about child care arrangements. The survey collected information about all the types of child care used at least once in each of the prior two weeks for one randomly selected child per household. The study also includes information on reasons for choosing various arrangements, costs of child care, work related issues and parent satisfaction with current child care arrangements.

The results provide an overview of the availability, quality and affordability of child care for all families in Minnesota.

In this study, child care refers to all arrangements other than parents and the regular school time (K-12). It includes informal home-based care by family, friends and neighbors; licensed home-based care; center-based care (including preschool, nursery school and school-age care programs before and after the school day); organized activities such as clubs or sports, and self care by the child. For complete definitions, see page 13 of the report.

The study included 1,363 randomly selected households (391 surveyed in the summer and 972 during the school year). The base sample is stratified by region (in Greater Minnesota) and by county (in the Twin Cities metropolitan area). The survey has a good response rate of 67.4 percent and an overall sampling error of about plus or minus 2.7 percent.¹

The households in this survey are reasonably representative of all Minnesota households with children ages 12 and younger, based on comparing several sample characteristics with U.S. Census data. For example, about 80 percent of the households surveyed have two parents present, and about 86 percent identify themselves as White, 3 percent as Black or African American, 2 percent as Hispanic or Latino, 2 percent as Asian and 1 percent as American Indian. About 5 percent are of other racial or ethnic identification or

¹ Sub-samples have higher sampling error. For example, the sub-sample of households with low incomes with a child care subsidy has 94 households and a sampling error of plus or minus 10 percent. The sampling error does not diminish any statistical significance but should be taken into account when generalizing results or making population estimates.

of mixed race or ethnicity. Slightly over half of the respondents (56 percent) live in the seven-county Twin Cities metropolitan area, and 44 percent live in Greater Minnesota.

A similar statewide child care survey was conducted in 1999 of 2,450 households with children ages 14 and younger, which offers the opportunity for comparisons.² Because of some methodological differences, however, comparisons should be done with caution. The 1999 survey used an open-ended diary format to collect and categorize detailed information on child care arrangements and schedules for the youngest child in the household (up to age 14). For this survey, respondents chose child care arrangements and schedules from a pre-categorized list for a randomly selected child (up to age 12), which may or may not be the youngest child.

Key findings

Profile of child care use, hours and schedules

About three-fourths of Minnesota families (74 percent) with children under age 13 regularly use some type of child care arrangement.

- On average, households have two child care arrangements.
- Thirty-six percent of households use just one child care arrangement; 39 percent use two and 26 percent use three or more.
- Most families have stable child care arrangements; that is, they have not changed their child care arrangements in the past 12 months for the child covered in the survey. About 19 percent had one arrangement other than their current ones, and just 7 percent have had two or more other arrangements.
- On average, children spend about 24 hours per week in child care.
- Twenty-eight percent of children are in child care full time (35 or more hours per week), similar to findings in the 1999 *Child Care Use in Minnesota* survey (30 percent).
- The average amount of time in child care is about 28 hours in the summer and 22 hours during the school year. Those averages are fairly close to the averages found in the 1999 survey.
- During both the summer and the school year, on average, children are in licensed family child care and center-based care more hours than in any other type of care.

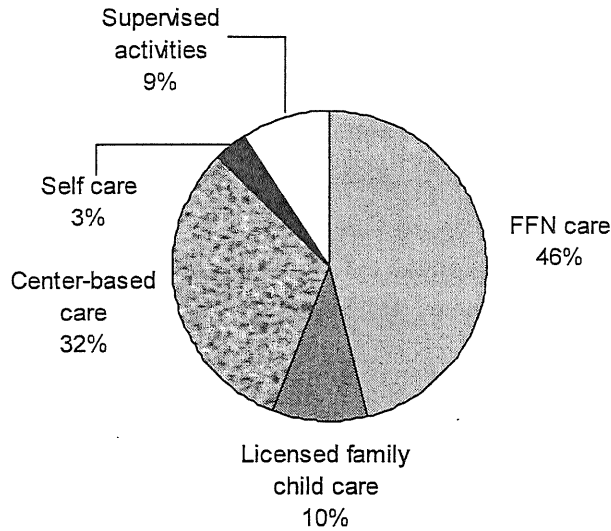
² Chase, R. and Shelton, E. 2001. *Child Care Use in Minnesota, Report of the 1999 Statewide Household Child Care Survey*. St. Paul, MN: Wilder Research.

- Children ages 5 and younger spend an average of 27 hours per week in child care during the school year, while school-age children spend smaller but still significant amounts of time in child care. (Children ages 6 to 9 spend an average of 18 hours in child care, and those ages 10 to 12 spend an average of 13 hours.)

Relatives are the primary caregivers overall.

- Of households that use child care, 46 percent use family, friend and neighbor (FFN) care in their own homes (28 percent) or in someone else's home (18 percent) as their primary arrangement. See Figure 1.
- The FFN caregivers are mainly grandparents (34 percent) and nonrelatives (24 percent), followed by older siblings (14 percent) and other relatives (17 percent).
- For children under age 6, the FFN care is more commonly provided by grandparents. For children ages 6 to 12, the FFN care more often is provided by older siblings.
- In addition, FFN care is the secondary arrangement in 25 percent of the surveyed households. See Figure 2.
- In this survey, 81 percent say they—at least sometimes—have at least one relative, neighbor or friend available to provide child care on a regular basis. This is a key change since 1999, when only 64 percent of households with one or more child care arrangements reported they had informal help with child care available.

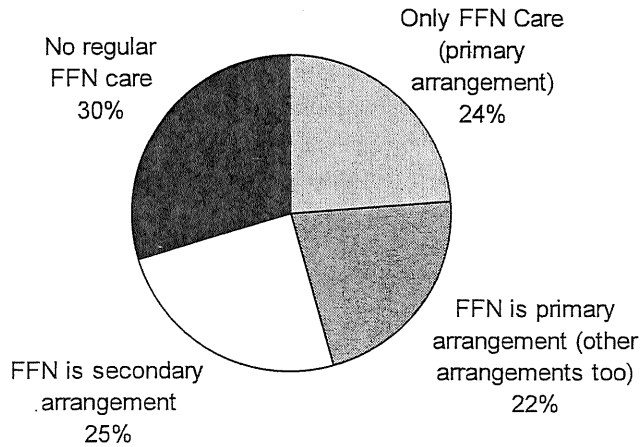
1. Primary child care arrangements for children 12 and younger



Source: 2004 Minnesota statewide household child care survey

Note: Defined by the parent as arrangements used at least once per week in each of the last two weeks for one randomly selected child per household. (N=1,363)

2. Use of family, friend and neighbor (FFN) care for children 12 and younger



Source: 2004 Minnesota statewide household child care survey

Center-based care is the next most frequent type of primary arrangement.

- One-third of households use center-based care as their primary arrangement, including child care centers, preschools, Head Start and before-school and after-school programs.
- Center-based care is the most common primary arrangement during the school year for children ages 3 to 5 (60 percent, up from 41 percent in 1999), followed by 33 percent for children under 3 and 28 percent for children ages 6 to 9.
- Among households with low incomes (at or below 200 percent of the federal poverty guideline for a family of their size), those receiving child care assistance are more likely than those without a subsidy to use center-based care as their primary arrangement (57 percent versus 18 percent, compared with 33 percent for households with higher incomes) and less likely to use FFN care as their primary arrangement (28 percent versus 65 percent, compared with 42 percent for households with higher incomes).³

During the school year, the types of child care vary by the children's ages.⁴

- Two-thirds of children are in the care of family, friends or neighbors at least part of the time during the school year (67 percent), followed by center-based care (49 percent), supervised activities (40 percent), self care (13 percent), and licensed family child care (12 percent).
- During the school year, FFN care use is highest for children under 3 (78 percent) and, though still fairly high, least frequent for children ages 3 to 5 (61 percent).
- Center-based care use during the school year is highest for 3- to 5-year-olds (79 percent), followed by children under age 3 (43 percent), children ages 6 to 9 (41 percent) and children ages 10 to 12 (25 percent).
- Supervised activities during the school year are fairly common child care arrangements for children ages 6 to 9 (52 percent) and those 10 to 12 (56 percent), compared with 36 percent of 3- to 5-year-olds.

³ This center-based category includes all types of center-based care, including child care centers, Head Start and before- and after-school programs. When the analysis includes only the child care centers, the percentages drop to 43.6 percent for households with low incomes with child care assistance, 9.4 percent for those without a subsidy and 22.3 percent for households with higher incomes. The Child Care Assistance Program (CCAP) encourages eligible families to apply to Head Start but does not reimburse any Head Start-only expenses. Families may use child care provided in partnership with Head Start, which may be subsidized through CCAP.

⁴ This section reports all the arrangements used during the school year for the selected child, so the percentages are duplicated.

- Forty-one percent of children ages 10 to 12 are in self care regularly during the school year, compared with 16 percent of children ages 6 to 9. During the summer, 42 percent of children ages 10 to 12 and 4 percent of children ages 6 to 9 are in self care. The percentage in self care for children ages 10 to 12 is higher than the percentage found in the 1999 survey (26 percent school year and 20 percent summer).

Family schedules commonly require child care before and after standard work hours (7 a.m. to 6 p.m.) and on weekends.

- During the school year, Monday through Friday, between 7 a.m. and 6 p.m., is at least part of the child care schedule for 93 percent of children and is the only schedule for 32 percent.
- In addition to standard weekday hours during the school year, 48 percent of children are regularly in non-parental care during weekday evenings (6 p.m. to 10 p.m.), and 44 percent are regularly in non-parental care on weekends. Thirteen percent are in non-parental care after 10 p.m. on weekdays, and 14 percent in the early mornings before 7 a.m. Family, friends and neighbors are the usual caregivers during these times.
- Twenty-seven percent of working parents have schedules that vary from week to week, up from 23 percent in 1999.

Cost of child care

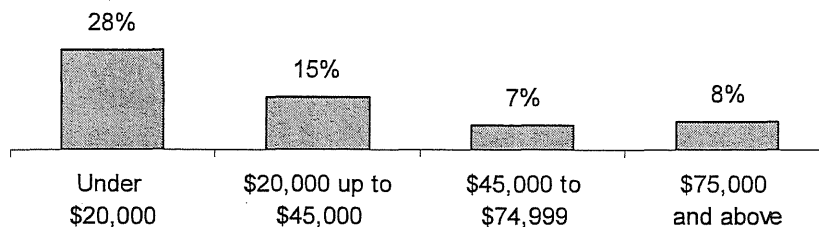
Most families who use child care for children ages 12 or younger have out-of-pocket child care expenses. Households with low incomes have the biggest cost burden relative to their incomes.

- Seventy percent pay something out-of-pocket for child care, up from 59 percent in 1999 among households with children 12 and younger with one or more child care arrangements.⁵
- For those paying for child care, the average out-of-pocket weekly expense for all children is \$111 (\$5,781 per year), just about \$2 more per week on average than reported in 1999. On average, metro-area households pay more than Greater Minnesota households per week for all their child care (\$127 versus \$90).

⁵ This increase in the percentage of households with out-of-pocket child care expenses may be due to an increase in registered FFN, paid FFN, and copays for households using child care subsidies.

- On average, those with child care payments are paying 10 percent of their annual household income for child care, which is considered affordable. However, families in the lowest income group (under \$20,000 per year) pay a much higher percentage. (See Figure 3.)

3. Proportion of annual household income going for child care costs

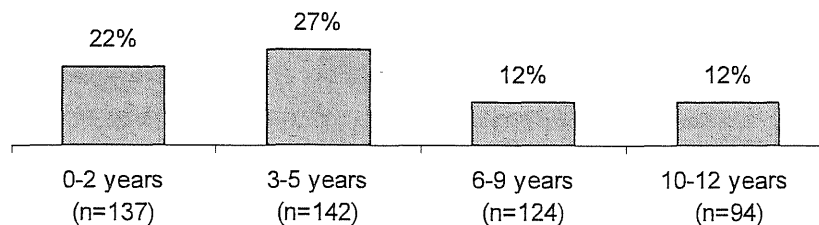


Source: 2004 Minnesota statewide household child care survey

Some families receive help paying for child care through government assistance and tax benefits. More families are eligible for this help than are receiving it.

- Nineteen percent of households with low incomes (at or below 200 percent of federal poverty guidelines) report currently receiving a subsidy through the state Child Care Assistance Program (CCAP). (See Figure 4.) About one-third of low-income households that are currently eligible but not receiving child care assistance say they are not aware of the subsidy.
- Forty-three percent of households with incomes above 200 percent of poverty claim a tax credit for child care, and 36 percent have child care (pre-tax) expense accounts. (Benefit amounts vary by income and family size.)

4. Proportion of households with low incomes receiving state child care assistance, by age of selected child



Source: 2004 Minnesota statewide household child care survey

Selecting child care: choices and barriers

Convenience, quality and cost are the top reasons for choosing specific child care arrangements.

- For FFN care, preference for care by a family member and trust are also main reasons. Parents also choose center-based care and supervised activities for the structure and the activities.
- From a list of important considerations in choosing child care, the special training of the caregiver is the top “very important” reason overall (73 percent) and the most important consideration for parents of children 9 and younger.
- Eighty-four percent of parents with low incomes say that a reasonable cost for child care is very important in choosing child care, compared with 61 percent of parents with higher incomes.

A sizeable percentage of parents, including those whose children have special needs, indicate they have limited child care options.

- Eighteen percent of households with children ages 12 and younger have one or more children with a special need that affects their child care options. Special needs include behavioral problems, developmental disabilities, health care needs that require extra attention or learning disabilities that require specialized care. Parents report that children ages 6 to 12 are more likely than younger children to have special needs (22 percent versus 14 percent).
- Twenty-nine percent of all parents say that in choosing child care they “had to take whatever child care arrangement they could get,” up from 21 percent in the 1999 survey.
- Among all parents, parents of color are more likely than White parents to report feeling they had to take whatever arrangement they could get (38 percent versus 28 percent), and so are those whose primary language is not English (43 percent versus 29 percent).
- In addition, parents with children who have special needs are also more likely to feel that way (39 percent versus 27 percent of parents whose children have no special needs).
- Income is also a factor. Parents with low incomes (38 percent) are more likely to feel that way compared with parents with higher incomes (27 percent).

Parental ratings of child care quality

Most parents give high ratings to the quality of their primary child care arrangement.

- Parents of younger children, households with higher incomes and those using their preferred type of care tend to report higher satisfaction with their primary arrangements.
- Compared to parents using center-based care and licensed family homes as their primary arrangements, parents using FFN care as their primary arrangement tend to be more satisfied with the individual attention their child receives and the flexibility of their child care arrangement.
- Parents using center-based and licensed family homes as their primary arrangements, on the other hand, tend to rate these items higher: creative activities and activities that are just right for their child, the knowledge of the caregiver about children and their needs, the caregiver's ability to meet their child's needs ("do not feel they are too demanding"), and not watching too much TV.

Child care among households with low incomes

On balance, households with low incomes have more challenges, less choice, and more problems with child care than do households with higher incomes, but child care assistance nearly levels the playing field.

- Twenty-two percent of households in this study are considered low-income; that is, their annual income is within or below the income range that includes 200 percent of the federal poverty guideline for a household of their size. For example, for a household of four people, 200 percent of the federal poverty guideline is \$38,700. For perspective, in 2003, the estimated median family income for Minnesota families with children under age 18 was \$62,303 and \$76,733 for all four-person families.
- Households with low incomes are more likely than households with higher incomes to say that in choosing child care they feel they had to take whatever arrangement they could get (38 percent versus 27 percent), to report that child care problems have prevented them from accepting or keeping the kind of job they wanted in the past 12 months (36 percent versus 14 percent) and to have a child with special needs requiring a lot of extra effort (13 percent versus 5 percent).
- Among households with low incomes, those who have child care subsidies are more likely than those without subsidies to be aware of Child Care Resource & Referral Services (CCR&R) (86 percent versus 61 percent), to learn about their current primary arrangement through community or CCR&R services (19 percent versus 9 percent) and, similar to households with higher incomes, to choose child care due to

the quality of the care (15 percent versus 9 percent) rather than due to cost (2 percent versus 14 percent).⁶

- Among households with low incomes, those without a child care subsidy are more likely than those with a subsidy to prefer care by a family member (20 percent versus 12 percent). Households with low incomes with a child care subsidy are similar to households with higher incomes in this regard.
- Among households with low incomes, those with child care subsidies tend to rate their child care arrangements higher than those without child care subsidies, and similarly to households with higher incomes, on these items: creative activities and activities that are just right for their child, the knowledge of the caregiver about children and their needs and not watching too much TV.

Parental employment issues related to child care

Child care problems reduce employee productivity and income.

- Seventy-nine percent of mothers in the surveyed households are working, looking for work, and/or going to school. About half are doing that full time (40 or more hours per week).
- Twenty percent say child care problems have interfered with getting or keeping a job in the past year, similar to the 1999 survey. Child care problems that interfere with employment more commonly affect parents of color (35 percent), parents who have a child with a special need (34 percent), parents with low incomes (36 percent) and parents who have child care subsidies (38 percent) than other parents by about two to one.
- Thirty-seven percent of households say they and/or their spouse or partner have lost time or income in the past six months due to a child care problem other than a sick child.
- When a child is sick or becomes ill during work hours, 83 percent of parents say their usual backup plan is for a parent to stay home or to go home from work, up from 75 percent in the 1999 survey.

⁶ The sub-sample of households with low incomes using a child care subsidy has 94 households and a sampling error of plus or minus 10 percent. The sampling error does not diminish the statistical significance but should be taken into account when generalizing results or making population estimates.

Recommendations

Based on the results of this study and discussion with researchers and the study advisory committee, the Department of Human Services recommends the following to ensure that child care is available, of high quality and affordable for all Minnesota families who need it.

1. Develop the supply of high-quality child care options.

The supply of high-quality child care options could be developed by supporting specialized training for child care providers, by encouraging providers and offering them incentives to improve the quality of their care and by empowering parents to make informed decisions about their child care choices. Survey results indicate that parents value highly trained caregivers regardless of their primary child care arrangement or the child's age, but especially for preschool children. In addition, most parents say they would find it helpful if their community had a child care quality rating system that would give them information they could use for selecting the highest quality care.

2. Continue public and private efforts to develop the supply of affordable child care options.

While family, friend and neighbor care is a common child care choice, some parents using that care would prefer center-based programs but cannot afford them. Ways to improve affordability of all child care options include increasing the use of child care tax credits, increasing access to pre-tax child care expense accounts through employers and reducing copayments or out-of-pocket expenses for parents receiving child care assistance.

3. Find ways that formal systems can provide support to family, friend and neighbor caregivers and connect them to appropriate resources.

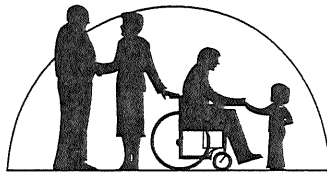
Grandparents should be eligible for Early Childhood Family Education (ECFE). Schools, school-age care programs, and other youth enrichment programs could provide opportunities for children who are responsible for caring for their younger siblings to learn more about child safety and child care.

See also the recommendations in *Family, Friend, and Neighbor Caregivers: Report of the 2004 Minnesota Statewide Household Child Care Survey*.⁷

⁷ Chase, R., et al. 2005. *Family, Friend, and Neighbor Caregivers, Report of the 2004 Minnesota Statewide Household Child Care Survey*. St. Paul, MN: Minnesota Department of Human Services.

4. Support programs that provide supervised, developmentally appropriate activities for pre-teens.

The relatively high and growing (compared with 1999) proportion of pre-teens providing self care throughout the year points to the need for more supervised activities and programs for 10- to 12-year-olds during the summer and after school.



Minnesota Department of **Human Services**

Children and Family Services
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This information is available in other forms to people with disabilities by contacting us at (651) 282-5329 (voice). TTY/TDD users can call the Minnesota Relay at 711 or (800) 627-3529. For the Speech-to-Speech Relay, call (877) 627-3848.

2004 Household Survey on Child Care Use



Deb Swenson-Klatt
Director, Child Development Services
MN Department of Human Services

Richard Chase
Senior Consulting Scientist
Wilder Research

Do you know?

- What percentage of families regularly use child care?
- How much time do children spend in child care?
- What is the most common type of child care used?
- What is the most common type of care for preschooler-aged children? Is it different for infants or school-aged children?
- Do parents think their child care is of good quality?
- Is child care affordable? For who?
- How does child care impact parents' ability to work?

Study Purpose and Methods

Survey conducted by Wilder Research to update 1999 survey and to track trends in child care use.

Telephone survey

- Minnesota households with children 12 and younger
- Surveyed families from May 2004 – March 2005
- Captured use in the summer and school year
- 1,363 randomly selected households
- 67.4% response rate, sampling error + or - 2.7%
- Stratified by region and county

Child Care Use

Nearly three-fourths (74 percent) of Minnesota families with children age 12 or younger regularly use child care

Child care use is fairly consistent across age groupings, slightly higher among children 5 and under, and slightly lower for older children

Percent of children in care by age	Percent
Children 0 - 2	79%
Children 3 - 5	80%
Children 6 - 9	67.5%
Children 10 - 12	74%



Hours in Child Care

How much time are children spending in child care?

- 28% of children attend child care full-time
- 72% attend child care part-time



On average, children attend child care

- 22 hours per week in the school year
- 28 hours per week in the summer

Family, Friends and Neighbors

The most common type of child care used is family, friend and neighbor care (46%)

- For children under 6, family, friend and neighbor caregivers are mainly grandparents (34%), followed by non-relatives (24%), older siblings (24%), or other relatives (17%)
- For children over 6, caregivers in this category are more likely to be siblings
- Family, friend and neighbor care is most common for children 0-2 (48%) and 6-12 (50%)
- Low-income households without a subsidy are more likely to use family, friend and neighbor care (65% vs. 28%)

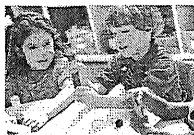


Families using family, friend and neighbor care like the flexibility and more individualized attention and their children receive

Center-based Child Care

The next most frequent type of regular care for children is center-based.

- 1/3 of households use center-based care as their primary arrangement
- Compared to five years ago, more preschoolers are in centers (60%, up from 41% in 1999)
- Centers tend to be more structured and oriented toward learning



Families using center-based care like the creative activities, the caregiver's knowledge, and ability to meet children's needs

Family Child Care

For infants and toddlers, family child care is the a more common arrangement than for older age groups



Licensed family child care is the primary arrangement for :

- 18% of children 0 - 2
- 12% of children 3 - 5
- 7% of children 6 - 9
- 4% of children 10 - 12

Families using family child care like the creative activities, the caregiver's knowledge, and ability to meet children's needs

Child Care Use

According to the U.S. Census, there are approximately 396,245 children age 0-5 and 537,007 children age 6-12 in Minnesota

Estimate of number of children in care in Minnesota By primary child care arrangement (Using a combination of Census and 2005 Child Care Use Survey data)	Children ages 0-5	Children ages 6-12
Family, friend and neighbor	119,033	283,396
Family child care	46,745	64,761
Center-based	146,035	214,204
Total children in care	311,813	562,461

|||||

Parental Ratings of Child Care Quality

Most parents give high ratings to the quality of their primary care arrangements

Types of parents most satisfied with child care:

- Parents of younger children
- Households with higher incomes
- Families using their preferred type of care

Most parents (87%) report a child care quality rating system would help them make child care choices (54% "very helpful" and 32% "somewhat helpful")

Affordability

Most families (70%) have out-of-pocket expenses for child care (up from 59% in 1999)

The average out-of-pocket weekly expense for all children is \$111 (\$5,781 per year) (this average includes family, friend and neighbor care)

- Child care costs per household range from \$5,000 to \$12,000 per year
- Compared to \$3,437 for state college tuition or \$7,500 at University of Minnesota



Affordability

On average, families pay 10% of their incomes on child care

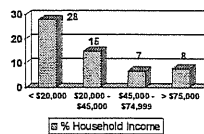
Of families who use child care with incomes at or below \$20,000 per year, over half (53%) do not pay for child care. Of those who pay, child care costs 28% of their income on average.

Metro-area families pay more than greater Minnesota families per week (\$127 vs. \$90)

Families with low incomes (at or below 200% of poverty):

- 19% report receiving a child care subsidy
- 1/3 of eligible families report that they are not aware of the CCAP program

Child Care Costs as % of Income



CCAP and Low-Income Families

Low-income families receiving child care subsidies, are more likely to (compared to low-income non-CCAP families):

- Be aware of support (such as CCR&R) for selecting quality child care (86% vs 61%)
- Learn about their current arrangement through such support
- Choose child care due to the quality of the care, rather than cost
- Rate the quality of their child care arrangement higher than those without subsidies
- Use a center-based care arrangement (57% vs 18%)



Work Impacts

20% of families say problems related to child care have interfered with getting or keeping a job



Child care problems impacting employment affect these parents more:

- Parents receiving child care subsidies (38%)
- Parents with low incomes (36%)
- Parents of color (35%)
- Parents with special needs children (34%)
- 37% of households say they and/or their spouse or partner have lost time or income in the past six months due to a child care problem

Finding Child Care of Choice

On average, 29% of families reported they "had to take whatever child care arrangement they could get," up from 21% in 1999

Families in the following categories reported this problem in higher proportions than average:

- Low-income (38%)
- Have children with special needs (39%)
- Parents of color (38%)
- Families whose primary language is not English (43%)

Work and Child Care Realities

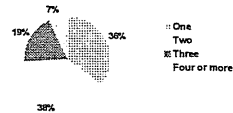
Arranging child care around work schedules can be challenging, in particular:

- Care during non-standard work hours is difficult to find
- Family, friend and neighbor care is the most common type of non-standard hour care, followed by supervised activities
- Families needing more hours of care per week are more likely to use a center or family child care setting than family, friend or neighbor (20-31 hours vs. 11 to 17 hours)

Percent of families using multiple arrangements:

- 36 % use just one arrangement
- 39 % use two arrangements
- 19 % use three arrangements
- 7 % use four or more

Percent Families by Number of Child Care Arrangements



For copy of full report:

The 2004 Household Survey of Child Care Use was funded by the Minnesota Department of Human Services and was conducted by Wilder Research

Authors: Richard Chase, Joanne Arnold, Laura Schauben and Ben Shardlow

Link to Wilder Research website: http://www.wilder.org/research_0.html

Direct link to the full report:

http://www.wilder.org/fileadmin/user_upload/research/ChildCareUseMinnesota12-05_01.pdf
