Child care assistance policies 2001-2004: Families struggling to move forward, states going backward

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Excerpts from the press release: States are cutting back child care assistance programs even as the number of families below the poverty line increases, leaving many low-income parents without assistance as they struggle to be able to work, stay off welfare &em; and care for their children. That is the conclusion of a report released by The National Women's Law Center, which compared 50 state child care assistance policies in 2004 and 2001. Studies demonstrate that child care assistance is critical for low-income parents to be able to work, remain self-sufficient, and stay off welfare. Nonetheless, the report finds that since 2001, many states have taken steps that limit child care assistance, including: restricting eligibility for help; placing eligible families who meet the more restrictive income criteria on waiting lists for assistance; requiring low-income parents receiving help to pay much more toward the cost of child care; and failing to adjust the rates paid to child care providers to keep pace with rising costs. The report concludes that: - Between 2001 and 2004, the income eligibility cutoff for a family to qualify for child care assistance declined as a percentage of the poverty level in about three-fifths of the states. - In about half the states, a family with an income at 150 percent of poverty saw their copayments increase as a percent of income between 2001 and 2004 if they were receiving child care assistance, or was no longer even eligible for help. - Even if a family is eligible for help, they may not receive assistance. Nearly half the states, lacking sufficient funds to serve all families who qualify, place families on waiting lists or in some cases turn them away without even taking their names. - States must pay adequate reimbursement rates to child care providers if families receiving assistance are to be able to choose among good options for child care. Yet nearly three-quarters of states fail to set rates at the level recommended in federal regulations.

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