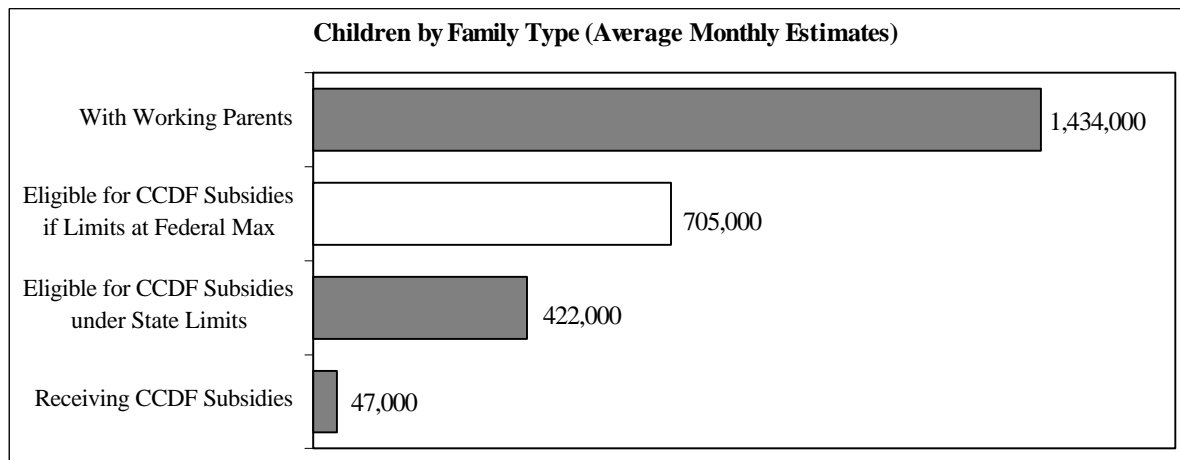


## Child Care in Florida: A Short Report on Subsidies, Affordability and Supply

This report summarizes recent child care information for the state of Florida. The first section provides new information on child care subsidies, based on eligibility estimates generated by the Urban Institute and state administrative data reported to the U.S. Department of Health and Human Services (HHS). The second two parts, on affordability and supply, draw on state and local data collected by the Urban Institute during the summer of 1999 under contract with HHS. A companion document to the national report entitled "Access to Child Care for Low-Income Working Families," the Florida report is one in a series of nine state reports.

### I. Child Care Subsidies

**Figure 1. Child Care and Development Fund (CCDF) Eligibility and Receipt in Florida**

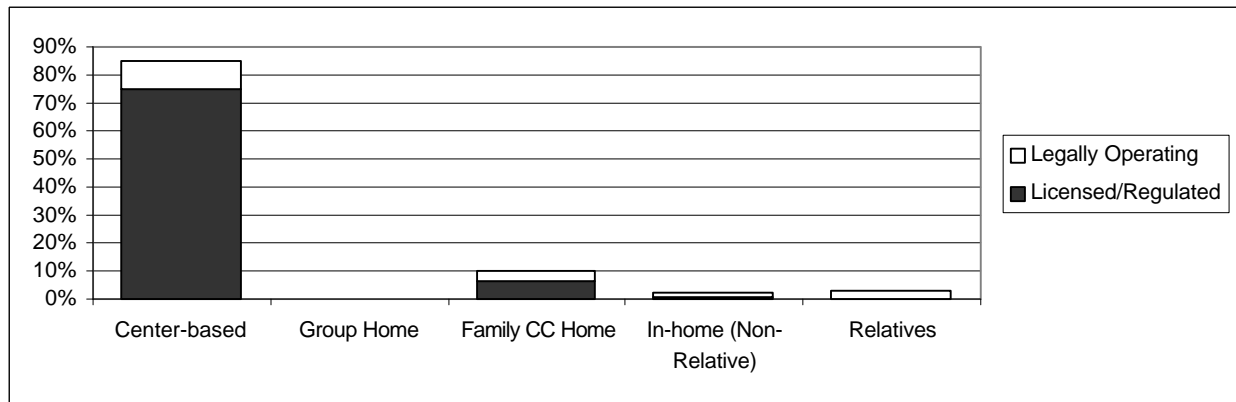


Sources: Urban Institute simulations and state administrative data reported to the Child Care Bureau.

- **1,434,000** children under age 13 live in families where the family head (and spouse if present) is working or is in an education or training program, as shown in Figure 1. Children across all family income levels are included in this estimate. Most of these children (**1,375,000**) live with working parents.<sup>1</sup>
- **422,000** of these children, and 263,000 families, are estimated to meet Florida's income guidelines for child care assistance under the Child Care and Development Fund (CCDF) October 1997 state plan. The eligibility estimate would be even higher – **705,000** children – if Florida raised income eligibility limits to 85 percent of State Median Income, the maximum level allowed under Federal law.<sup>2</sup>
  - To be initially eligible for subsidies under Florida's October 1997 state plan, a family of 3 had to have income below **\$19,476**, or 150 percent of the Federal Poverty Level. A family of three can continue to receive subsidies until its income reaches **\$24,084**, or 185% of the Federal Poverty Level.
  - Nearly all eligible children (95 percent) live in families with annual income below 200 percent of the Federal Poverty Level and just under one-half (49 percent) are living in poverty. (The few eligible families with annual income above 200 percent of poverty had lower income for some months of the year and were thus eligible for child care assistance during those months.) About 16 percent live in families that report receiving cash welfare.

- Most (381,000) eligible children are under age 13 with working parents; the remaining children have parents in education/training programs.
- **47,000** children in Florida received child care subsidies through CCDF-funded programs in an average month in 1998. This estimate suggests that 11 percent of the eligible population under state limits (and 7 percent of children who would be eligible under the Federal maximum limits) were served with CCDF funds. In addition, Florida's state administrative data system indicates that 57,000 children were served with other Federal and state funds.<sup>3</sup>
- In Florida, most (85 percent) of child care settings receiving funds from CCDF in 1998 were center-based settings, as shown in Figure 2. The remaining settings include family child care homes (10 percent), care by relatives (3 percent) and in-home care by non-relatives (2 percent).<sup>4</sup>

**Figure 2. Child Care Settings Subsidized by CCDF in Florida**



Source: State administrative data for April-September 1998 reported to the Child Care Bureau.

- The Child Care and Development Fund (CCDF) is the major source of Federal funding allocated to states to subsidize the child care expenses of low- and moderate-income families so they can work, or attend education or training programs. Using CCDF dollars along with state funds, Florida has designed its own child care program within broad parameters specified under federal law. CCDF-funded subsidies, and the number of children that the state reported were served with these subsidies, are highlighted in this report because CCDF is a primary source of funding in most states. Also, CCDF administrative data is the most comparable source of child care data across states. It should be noted, however, that Florida, like many other states, also uses other funding sources to provide child care subsidies.
- In April 1999, there were 18,790 children on the **waiting list** for government subsidies in Florida.<sup>5</sup> Of the children on the waiting list, 40 percent were less than three years old, 28 percent were between 3 and 5 years old, and 32 percent were between 6 and 12 years old. Time on the waiting list can vary by district. Some children remain on the list only a few days and some children have been on lists for more than 2 years. The waiting time is contingent upon district funding and the family's priority for services.
- The state of Florida has a **priority system** for determining who receives child care subsidies. Children determined to be at-risk of abuse, neglect or exploitation have the highest priority, followed by children whose families are participating in the welfare-to-work program

(WAGES) and families whose income is less than 100 percent of the Federal Poverty Level. Children in families whose income is between 100 and 150 percent of the Federal Poverty Level receive the lowest priority. The majority of the waiting list (91 percent) comprises children in this last category.

- ❑ In addition to the waiting list, state staff believe that there are eligible families that do not apply for child care subsidies. This belief is corroborated by staff from state child care resource and referral agencies.

## **II. Affordability<sup>6</sup>**

- ❑ Prices for child care vary considerably, by such factors as geographic area, type of provider and age of child. Figure 3 shows the average monthly prices for child care in Florida. Given that these are average prices, it is clear that many families pay more or less than this amount.
- ❑ Centers in Florida charge an average of **\$325** per month for preschool care and **\$416** per month for infant care, as shown in Figure 3. This means that a family with \$15,000 in income and one preschool child in an average-priced center would spend about one-fourth (26 percent) of its total monthly income on child care expenses. Average-priced infant care would represent an even higher share (33 percent) of monthly income for a family earning \$15,000.

**Figure 3. Child Care Prices and Co-Payments for a Hypothetical Florida Family of Three Earning \$15,000 with One Child in Care**

	WITHOUT SUBSIDY		WITH SUBSIDY	
	Average Monthly Prices (Full Time Care)	% of Income (Family Income of \$15,000 Annually)	Monthly Co-Payments* (If receive subsidy)	% of Income* (Family Income of \$15,000 Annually)
<b>INFANT (1 year)</b>				
<b>Center-based</b>	\$416	33.3%	\$70	5.6%
<b>Family child care home</b>				
<b>Licensed</b>	\$386	30.9%	\$70	5.6%
<b>Registered</b>	\$329	26.3%	\$70	5.6%
<b>PRESCHOOLER (4 years)</b>				
<b>Center-based</b>	\$325	26.0%	\$70	5.6%
<b>Family child care home</b>				
<b>Licensed</b>	\$355	28.4%	\$70	5.6%
<b>Registered</b>	\$303	24.3%	\$70	5.6%

\* State policy does not prevent providers from charging parents additional amounts, above the co-payment, if the providers' rates exceed the state reimbursement level. Figures in this table represent the minimum co-payment.

Source: Price data collected by the Urban Institute from the Florida Children's Forum, a statewide child care resource and referral agency, summer 1999. Co-payment data collected by the Urban Institute from the Florida Department of Children and Families, the state child care agency, summer 1999.

- ❑ Licensed family child care homes in Florida charge an average of **\$355** per month for preschool children and **\$386** per month for infants. This means that a family with \$15,000 in income and one child in an average-priced family child care home would spend 28 percent of

its monthly income on care for a preschool child or 31 percent for an infant. Family child care homes that are registered with the county, but not licensed, generally charge lower rates, as shown in Figure 3.

- Families who receive child care subsidies usually pay much smaller monthly **co-payments** rather than the full market rate. Such co-payments are established under a sliding fee schedule, and are based on family size, income and the number of children in care. For example, a family with \$15,000 in income and one preschooler in an average-priced center in Florida would be charged a monthly co-payment of \$70, or 5.6 percent of monthly income, as shown in Figure 3.

### **III. Gaps in Child Care Supply**<sup>7</sup>

- Not all providers in Florida accept children who receive subsidies. According to information from the two child care resource and referral agencies that serve the city of Miami (Greater Dade County), only 50 percent of centers, 32 percent of family homes and 35 percent of accredited care centers in the northern part of Dade County accept subsidies.<sup>\*\*</sup> In the remainder of Dade County, it is harder to find providers who serve subsidized children; 32 percent of centers, 21 percent of family homes and 25 percent of accredited care centers accept subsidized children.
- In a June 1998 report entitled “Charting the Progress of Child Care in Florida,” the Florida Children’s Forum described a shortage in the supply of child care for infants and toddlers, school-age children, during non-traditional hours, and for sick or special needs children.<sup>8</sup> Specifically:
  - The Florida Children’s Forum report estimates that the supply of child care in Florida meets only 34 percent of the need for care for children zero to 3 years old and only 32 percent of the need for school-aged children.
  - The need for **odd-hour care** is steadily increasing in Florida, due in part to growth in employment among former welfare recipients.
  - Only 3 percent of Florida’s child care providers report serving children with **special needs**.
  - Until recently, only hospitals could provide sick child care. During the 1999 legislative session, Florida passed legislation allowing child care centers to care for mildly ill children.

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#### **Sources**

<sup>1</sup> Estimate based on microsimulations using the Urban Institute’s TRIM3 model, guidelines in the state’s 1997-99 CCDF state plan, and three years of Current Population Survey data (calendar years 1995-97).

<sup>2</sup> *Ibid.*

<sup>3</sup> Estimates based on state administrative data reported to the Child Care Bureau and adjusted to reflect children funded through CCDF only. 1998 figures based on April-September 1998.

<sup>4</sup> *Ibid.*

<sup>5</sup> Waiting list data were obtained and compiled by the Urban Institute from the Florida Department of Children and Families, the state child care agency.

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<sup>\*\*</sup> Providers are accredited by national organizations based on criteria designed to measure quality. Accreditation is one indication that a provider has demonstrated commitment to providing quality care.

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<sup>6</sup> Information in this section was obtained and compiled by the Urban Institute from the Florida Children's Forum, a statewide child care resource and referral agency.

<sup>7</sup> *Ibid.*

<sup>8</sup> Florida Children's Forum, "Charting the Progress of Child Care in Florida," June 1998, p. 5.