

Subject Increasing child care assistance rates

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Summary

This bill increases the rates paid to child care providers under the child care assistance program (CCAP). CCAP is a federal-state program that subsidizes the child care expenses of eligible low-income families while parents are working or participating in a training or education activity.

Under current law, the maximum CCAP rates are set at the 40th percentile of the 2021 child care provider rate survey for infants and toddlers and the 30th percentile of the 2021 survey for preschool and school-age children. Beginning in 2025, the rates will be based on the 2024 child care provider rate survey.

The bill increases the maximum rates for all CCAP-eligible children to the 75th percentile of the most recent child care provider rate survey. Modifying current law to provide that the rates are based on the “most recent” survey, rather than a survey year, means that the rates will automatically update every three years, as the Department of Human Services is required by statute to conduct the survey every three years.