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Northern Virginia: LOW PROVIDER REIMBURSEMENTS LIMIT ACCESS TO QUALITY CHILD CARE

The Challenge

Virginia depends on funding from the federal Child Care Development Block Grant (CCDBG) to operate its Child Care Subsidy Program. Stagnant federal funds combined with state budgetary shortfalls have led to inadequate funding for the program in Virginia. **Child care providers have not received an increase in their reimbursement rates since 2004.¹ They are stretched too thin and are forced to make tough choices regarding serving families with subsidies.**

For child care providers, low provider rates mean they lose a significant amount of money for every subsidy child they serve. This financial loss makes it very difficult to stay in business, pay above minimum wages to staff, and afford basic operating supplies. As a result, many providers choose not to accept subsidy families, or reduce the number they do accept.

For parents, low provider rates mean they pay higher co-payments because providers have to pass on their unfunded costs, or they simply cannot find quality care that their subsidy will cover.

Virginia has the 40th lowest maximum provider reimbursement rates in the country.²

NoVA Child Care Providers Say:

"At Hopkins House we lose about \$1500 per year, per government subsidized child. We cannot sustain such losses over time if we want to remain a financially viable institution. We have staff to pay, insurance, gas and electric bills to pay, and books, paper, and baby food to buy. It is extremely painful for us to find ourselves in the position of having to decide between serving fewer (or any) children from low-income families and remaining financially solvent," Glenn Hopkins, President, Hopkins House, Alexandria and Fairfax Co.

"The current rate of reimbursement from the state for child care can in no way compete with market provider rates in Arlington/Northern Virginia. Many of the families we serve cannot find child care providers. The current system really limits options for low income families who are in greatest need of quality care," Amity Kim, Children's Program Director, Doorways for Women and Families, Arlington.

	Weekly Actual Rates for Centers per Child	Weekly Subsidy Reimbursement Rates for Centers per Child	Weekly Loss per Child	Annual Loss per Child
Alexandria City				
<i>Infants</i>	\$277	\$231	(\$46)	(\$2,392)
<i>Toddlers</i>	\$253	\$226	(\$27)	(\$1,404)
<i>Pre-K</i>	\$241	\$190	(\$51)	(\$2,652)
Arlington County				
<i>Infants</i>	\$329	\$226	(\$103)	(\$5,356)
<i>Toddlers</i>	\$321	\$201	(\$120)	(\$6,240)
<i>Pre-K</i>	\$293	\$190	(\$103)	(\$5,356)
Fairfax County				
<i>Infants</i>	\$308		(\$76)	(\$3,952)
<i>Toddlers</i>	\$293		(\$69)	(\$3,588)
<i>Pre-K</i>	\$256		(\$65)	(\$3,380)

The Opportunity

Based on the debt ceiling agreement passed by Congress, federal funding for discretionary programs is projected to shrink. **This gives Congress the opportunity to re-allocate scarce dollars where they will have the biggest impact. Few investments have both the immediate and long-term return that investing in early childhood programs has.**³

*Actual rates from the 2010 Market Rate Survey conducted by the Virginia Department of Social Services.

*Subsidy reimbursement rates from the 2010-2011 Child Care and Development Fund Plan.

The Message

Tell your member of Congress that thousands of Virginia’s workers and their children depend on the Child Care Subsidy Program,⁴ and it is in need of additional federal dollars to increase provider rates and ensure access to quality child care settings.

Allocating more money to the Child Care Development Block Grant is a win-win: more working parents will remain in the workforce and off of unemployment rolls, and more children will have quality early care and education opportunities that prepare them for school. CCDBG benefits our national and state economies NOW by keeping more parents employed, and in the FUTURE by contributing to the healthy development of our future workforce.

With funding from First Focus, Voices for Virginia's Children is the Virginia leader for Children in Focus, a multi-state effort to raise the profile of children's issues and make kids the priority!

¹ Virginia Department of Social Services. Child Care and Development Fund Plan. FFY 2010-2011.

² Cameron, Meghan; Keller, Kaitlin; Whorton, Stefanie. Policy and Budget Analysis of Virginia’s Child Care Subsidy Program (CCDF). The Thomas Jefferson Program in Public Policy, The College of William and Mary.

³ Heckman, James. The Heckman Equation: A solution for better education and health outcomes, less crime and poverty and greater economic prosperity. Retrieved from www.heckmanequation.org.

⁴ Approximately 56,878 children, or 32,351 families, were served each year between 2002 and 2010. Data from Virginia Department of Social Services. July 2011.