

GAO Highlights

Highlights of [GAO-23-106073](#), a report to congressional committees

Why GAO Did This Study

Many families struggle to access child care that is both high quality and affordable in the U.S., particularly those who are low-income. The COVID-19 pandemic created additional difficulties in the already-stressed child care sector. To support both families and child care providers, Congress appropriated additional funds and provided states temporary flexibilities in how they administer their CCDF programs.

GAO examined: (1) what is known about the number of children eligible for federal child care subsidies and the extent to which they receive and use them, and (2) changes selected states made to federal child care subsidy programs to support families and providers during the COVID-19 pandemic, and challenges they have experienced.

GAO summarized HHS's analysis of CCDF program data about children's eligibility and receipt of child care subsidies for fiscal year 2019, the most recent available, and calculated children's estimated eligibility and receipt rates at the state level. GAO also interviewed CCDF administrators from seven states about their experiences during the COVID-19 pandemic (selected to represent different state program attributes like using wait lists or not, and state attributes like geographic region and population size); interviewed agency officials and child care experts; and reviewed related reports.

GAO is not making recommendations in this report.

View [GAO-23-106073](#). For more information, contact Kathryn A. Larin at (202) 512-7215 or larink@gao.gov.

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CHILD CARE

Subsidy Eligibility and Use in Fiscal Year 2019 and State Program Changes during the Pandemic

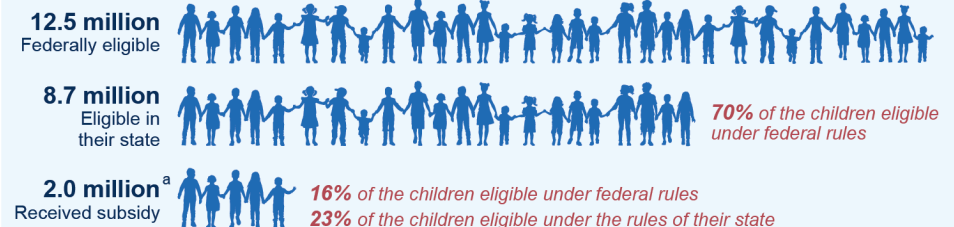
What GAO Found

The Child Care and Development Fund (CCDF) is the primary source of federal funding to states for subsidies that help low-income families afford child care so parents can work, attend school, or participate in job training. According to U.S. Department of Health and Human Services (HHS) data, 2 million of the estimated 8.7 million children eligible for subsidies in their states received them in an average month in fiscal year 2019 (see figure). States have to prioritize which eligible children receive them, and there is a long-standing gap between the number of children eligible for subsidies and those who receive them. In addition, some families do not know about or may face challenges when applying for subsidies. Experts GAO interviewed said that, even with subsidies, some low-income families find it challenging to afford high-quality care, which can lead to them making trade-offs between paying for child care and necessities like food.

Subsidy Receipt among Estimated Eligible Children, in an Average Month in Fiscal Year 2019

Who received child care subsidies?

Only a fraction of the country's estimated eligible children received a subsidy in an average month, partly because states can set additional eligibility criteria that may be more restrictive.



Source: GAO analysis of U.S. Department of Health and Human Services data and [stock.adobe.com](#). | [GAO-23-106073](#)

^aThis estimate represents the number of children who received child care subsidies funded through the Child Care and Development Fund as well as related government funding streams.

Nearly all state child care administrators and child care experts GAO interviewed said that the pandemic put unprecedented strains on working families and child care providers. State administrators described various program changes they made to support families and providers, in part using federal COVID-19 relief funding. For example, six of the seven state child care administrators GAO interviewed said family co-payments were waived in their state for some portion of the pandemic to make child care more affordable for families, and six said their states increased payment rates to child care providers.

State child care administrators GAO interviewed said that they faced both short-term and ongoing challenges as they adapted subsidy programs to meet the changing and time-sensitive needs of families and child care providers during the pandemic. Administrators expressed concerns about the time-limited and one-time nature of federal COVID-19 relief funding, and uncertainty about future funding levels. For example, three said they were concerned about expelling newly eligible children from the subsidy program once COVID-19 funds expire, and one state opted to implement one-time bonuses rather than raising wages to address long-standing workforce recruitment and retention challenges.