

# ASPE ISSUE BRIEF

OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION  
OFFICE OF HUMAN SERVICES POLICY - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

## ESTIMATES OF CHILD CARE ELIGIBILITY AND RECEIPT FOR FISCAL YEAR 2006

### I. Overview

This ASPE Issue Brief details estimates of federal child care assistance eligibility and receipt for 2006. In fiscal year 2006, federal and state spending totaled roughly \$12.2 billion to support child care services and activities to improve the affordability, availability, and quality of child care for low-income working families through the Child Care and Development Fund (CCDF) and related government funding streams.<sup>1</sup> Primarily, CCDF funds are used to subsidize child care services through vouchers.

Approximately one out of six (17 percent) federally-eligible children received subsidized care through CCDF or related government funding streams in an average month in fiscal year 2006 (see Table 1). We define federally-eligible children to include all children who are potentially eligible to receive subsidized care based on the federal eligibility parameters of CCDF. Federal statute permits states to provide child care subsidies to qualifying families with incomes below 85 percent of state median income. Within federal eligibility parameters, states have flexibility in setting more restrictive rules for income eligibility. This Issue Brief also explores estimates of child care assistance eligibility and receipt based on state-defined eligibility rules, as well as the age and poverty status of eligible children and those who receive assistance.

**Table 1: Number of Children Potentially Eligible and Percent of Eligible Children Receiving Child Care Subsidies, Average Monthly, 2006**

	Children Potentially Eligible for CCDF Under Federal Parameters	Children Receiving Subsidies	Percent of Potentially Eligible Children Receiving Subsidies	Ratio of Potentially Eligible Children Receiving Subsidies
All Children	14,574,000	2,506,000	17%	1 in 6

<sup>1</sup> The estimated \$12.2 billion spent through CCDF and related government funding streams in fiscal year 2006 includes an estimated expenditure of \$6.8 billion in federal CCDF funds (including the Child Care and Development Block Grant, the Child Care Entitlement to States, and transfers from the Temporary Assistance for Needy Families Block Grant (TANF) to CCDF), \$2.5 billion in state matching and maintenance of effort (MOE) funds for CCDF, \$1.2 billion in TANF funding spent directly on child care, \$1.4 billion in “excess TANF MOE” (state child care expenditures claimed as TANF MOE to the extent such amounts are above the amounts already claimed as CCDF MOE), and \$0.2 billion in Social Services Block Grant expenditures related to child care.

### ABOUT THIS ISSUE BRIEF

*This ASPE Issue Brief on federal child care assistance eligibility and receipt shows that approximately one out of six (17 percent) federally-eligible children received subsidized care through CCDF or related government funding streams in an average month in fiscal year 2006.*

Office of the Assistant  
Secretary for Planning and  
Evaluation

Office of Human Services  
Policy

US Department of Health  
and Human Services

Washington, DC 20201



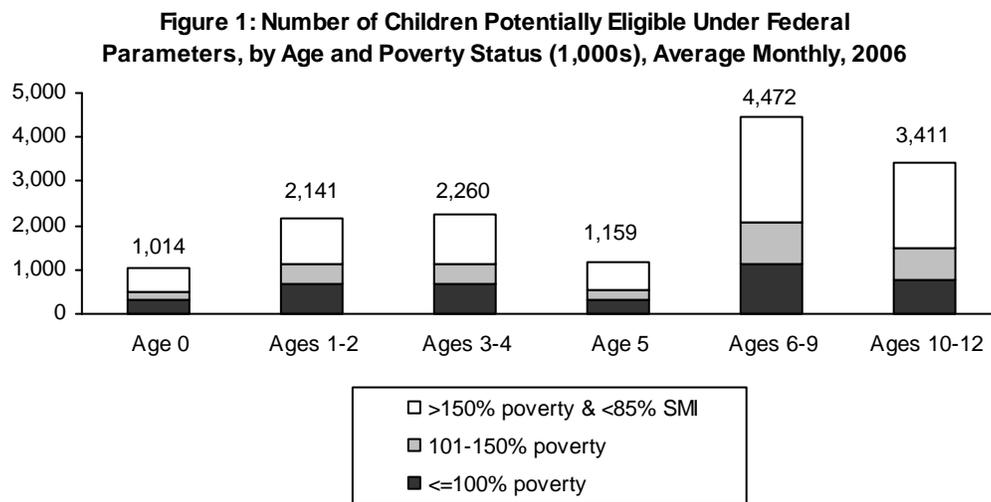
## II. Child Care Estimates Based on Federal Eligibility Parameters

Seventeen percent of federally-eligible children received subsidized care through CCDF or related government funding streams in fiscal year 2006. This number is based on estimates of the number of children eligible for child care under federal eligibility parameters and the number of children receiving subsidized care.

An estimated 14.57 million children were potentially eligible for child care assistance under the federal eligibility parameters of CCDF in an average month in 2006 (see Table 1).<sup>2</sup> Federal eligibility parameters include:

- Children must be under age 13 (unless the child has special needs and is age 13-18);
- The income of the child’s family must be less than 85 percent of the state median income (SMI) for a family of the same size;<sup>3</sup> and
- The child’s parents must be working or participating in education or training activities.<sup>4</sup>

Figure 1 shows a breakdown of federally-eligible children by age and poverty status.



An estimated 2.51 million children received child care services through CCDF or related government funding streams in an average month in fiscal year 2006 (see Table 1).<sup>5</sup> While the majority of these

<sup>2</sup> The 2006 estimates of eligibility were produced using the Transfer Income Model (TRIM), a micro-simulation model maintained by the Urban Institute under contract with ASPE. TRIM converts annual data from the Current Population Survey (CPS) into monthly data, compares these monthly data on family income and work status to CCDF rules, and generates monthly estimates of children and families eligible for CCDF child care subsidies. Monthly estimates are averaged to produce an average monthly estimate for the year. The 2006 estimate of eligibility relies upon data from CPS for calendar year 2006, federally-permitted eligibility rules under CCDF, and state-defined eligibility rules in the two-year CCDF plans that were effective as of October 1, 2005. See Oliver, H., Phillips, Katherin R., Giannarelli, L, and Chen, An-Lon, June 2002, *Eligibility for CCDF-funded child care subsidies under the October 1999 Program Rules: Results from the TRIM Microsimulation Model* (<http://aspe.hhs.gov/hsp/05/elig-ccsub/index.htm>) for further methodological explanation of the TRIM estimates. See Appendix I on page 7 for information on the number of children eligible for child care subsidies in previous years under federal parameters.

<sup>3</sup> States are given broad flexibility in deciding what is countable family income for purposes of determining a child’s eligibility. For example, states could disregard TANF payments in income eligibility determinations. As a result, some states may serve children in families with unadjusted incomes greater than 85 percent of the state median income. Under this federal income eligibility parameter, a family of three with an income greater than \$45,000 would have been ineligible to receive child care subsidies in roughly half the states in 2006. Though stated as annual amounts here, family income is calculated monthly and is based on the income of relevant adults. State SMI is based on estimates published for fiscal year 2006 in the Federal Register: February 17, 2005 (Volume 70, Number 32).

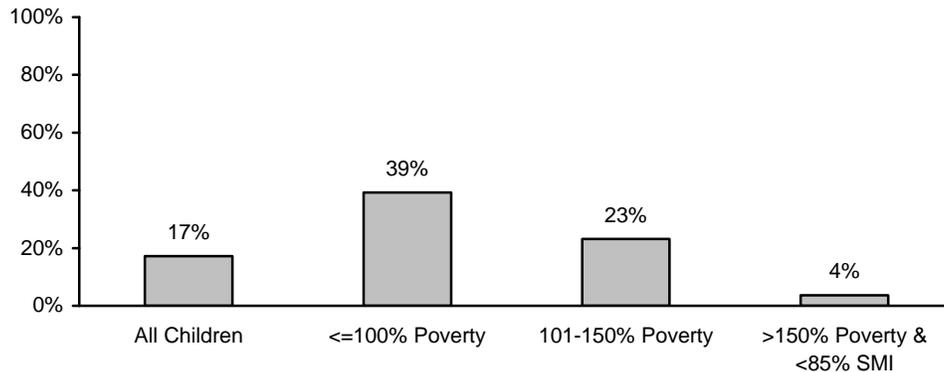
<sup>4</sup> For this eligibility estimate HHS has defined “working” to include all work of one hour or more in a month. The majority of federally-eligible children come from families where the parent or parents are employed an average of at least 20 hours per week. An estimated 14 percent of federally-eligible children lived with a parent who was not employed an average of at least 20 hours per week in 2006.

<sup>5</sup> This estimate of receipt excludes about 12,400 children served in U.S. territories as well as children receiving services from only Head Start, state pre-kindergarten programs, or other early childhood programs without funding from CCDF or related government funding streams. See Appendix I on page 7 for information on child care subsidy receipt in previous years.

children, 1.76 million, received assistance through CCDF, this estimate of receipt also includes roughly 748,000 children with subsidies funded directly through the Temporary Assistance for Needy Families (TANF) program or the Social Services Block Grant (SSBG), and state expenditures claimed as TANF maintenance of effort (MOE) funds.<sup>6</sup>

Some children were more likely to receive services than others. Eligible children from the lowest-income families were the most likely to receive child care assistance. Roughly 39 percent of federally-eligible children from families with incomes below 100 percent of poverty and 23 percent of those from families with incomes between 101 percent and 150 percent of poverty were served (see Figure 2).<sup>7</sup> By comparison, 4 percent of federally-eligible children from families with incomes greater than 150 percent of poverty were served. In the case of families with one adult and two children, eligible children from families with incomes greater than 150 percent of poverty would include those from families with an income greater than roughly \$24,400 but less than 85 percent of their state’s SMI.

**Figure 2: Percentage of Children Potentially Eligible Under Federal Parameters that Receive Child Care Subsidies, by Poverty Status, Average Monthly, 2006**

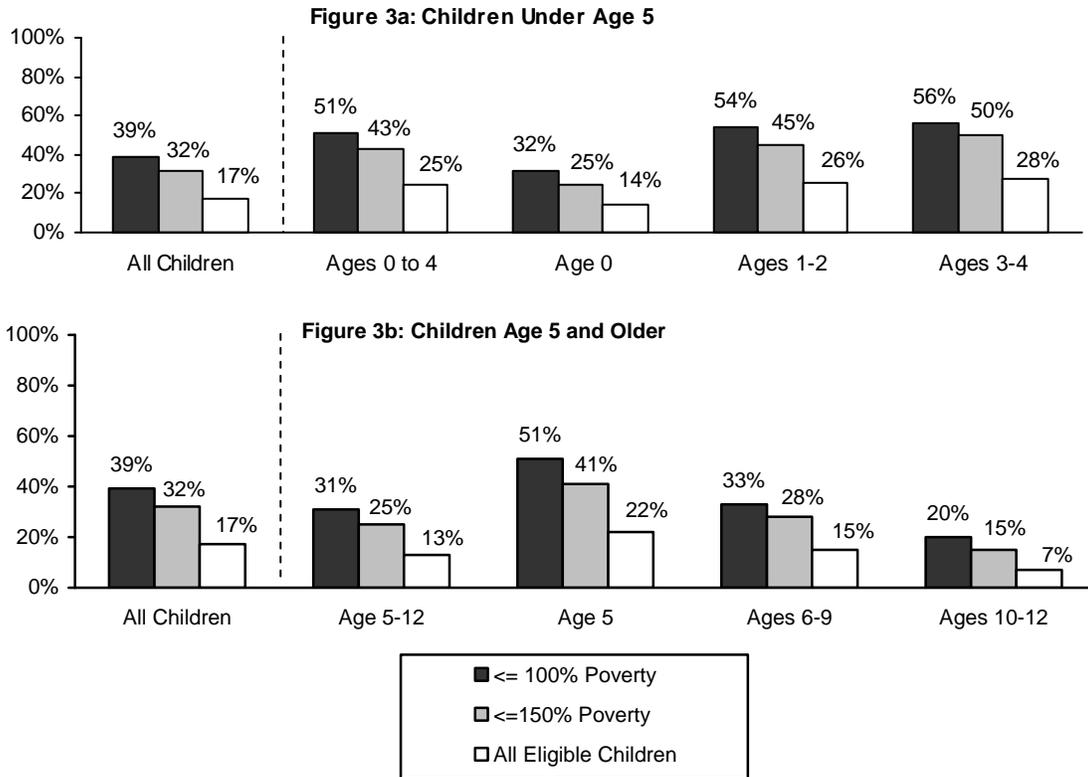


Figures 3a and 3b show that federally-eligible children between ages 1 and 4 were much more likely to receive subsidized care than eligible children older than age 5. In 2006, a quarter of federally-eligible preschool-aged children were served (including 14 percent of infants, 26 percent of children ages 1-2, and 28 percent of children ages 3-4). By comparison, 15 percent of federally-eligible children ages 6-9 and 7 percent of federally-eligible children ages 10-12 received subsidized care. Figures 3a and 3b also show differences in the proportion of federally-eligible children served by family income and by family income and age.

<sup>6</sup> CCDF-funded children include children funded through federal CCDF funds, state CCDF funds, and transfers of TANF funds to the CCDF program. While some states include children other than CCDF-funded children in their child care data reports (generally because they combine funds from several funding streams into one child care program), these states also report the percentage of pooled funding coming from CCDF, and this percentage is used to estimate the CCDF-funded children. The estimate assumes that children funded by TANF, TANF MOE, and SSBG have the same subsidy costs per child as CCDF-funded children, about \$321 per month based on state-reported ACF-801 administrative data, and the same age and poverty distribution as CCDF-funded children.

<sup>7</sup> Poverty figures are based on 2006 poverty thresholds published by the U.S. Census Bureau, Housing and Household Economic Statistics Division. The Census Bureau threshold is divided by twelve to create a monthly, rather than yearly, threshold. For purposes of determining recipients’ poverty status for this estimate, recipient income is measured after any applicable state-determined income disregards are applied. This estimation process likely overestimates to a small degree the number and percent of children from families below 100 percent of poverty who are served.

**Figure 3: Percentage of Children Potentially Eligible Under Federal Parameters that Receive Child Care Subsidies, by Age and Poverty Status, Average Monthly, 2006**



### III. Child Care Estimates Based on State Eligibility Rules

Within the federal eligibility parameters of CCDF, states have flexibility in setting income eligibility guidelines, parental co-payment fees, reimbursement rates to child care providers, target populations receiving priority for services, the number of work or education/training hours required, and the length of certification periods.<sup>8</sup> Based on state-defined eligibility rules for fiscal year 2006, the initial income eligibility limits for three person families ranged from about \$18,200 to \$46,200.<sup>9</sup> Some states allow counties and other localities to set income eligibility limits lower than the limit set by the state. Some states also allow higher income eligibility limits for families already receiving child care subsidies. Federal regulations require states to submit CCDF Plans that outline state-defined eligibility rules for CCDF funds to the U.S. Department of Health and Human Services every two years.

<sup>8</sup> Based on state CCDF plans submitted October 2005, recipient eligibility was redetermined every twelve months in nineteen states, every six months in twenty nine states, and monthly in two states.

<sup>9</sup> The range of income eligibility limits is based on state CCDF plans submitted October 2005. Income eligibility limits reflect income adjusted for any income disregards provided in state plans (i.e., some states disregard TANF and SSI income). Expressed in terms of state median income, state limits for initial income eligibility in CCDF plans for fiscal year 2006-2007 ranged from 34 percent to 88 percent of SMI. This estimate of state median income for fiscal year 2006 is based on the U.S. Census Bureau calculations published in the Federal Register: February 17, 2005 (Volume 70, Number 32). While the law restricts eligibility to children from families below 85 percent of SMI, the District of Columbia uses a method of calculating state median income that produces an estimated initial income eligibility limit of 88 percent of SMI when using the U.S. Census Bureau estimate.

An estimated 14.57 million children were federally-eligible for child care assistance in an average month in 2006. Under state-defined eligibility rules, an estimated 8.01 million children were eligible for child care assistance in an average month in 2006 (see Figure 4).<sup>10</sup>

**Figure 4: Number of Children Eligible and Number of Children Receiving Child Care Subsidies (1,000s), Average Monthly, 2006**

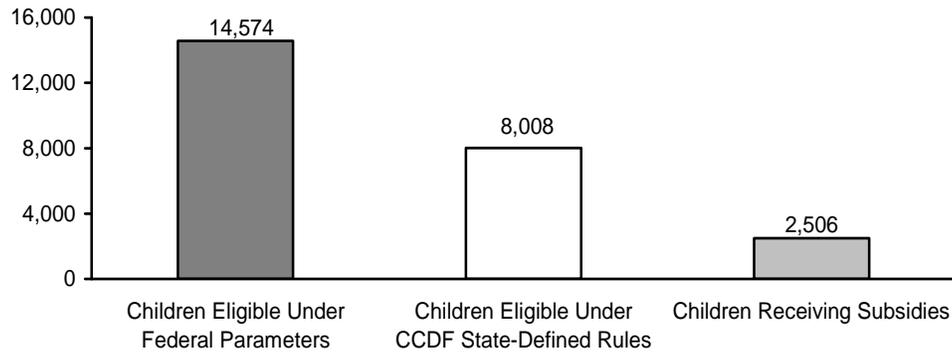
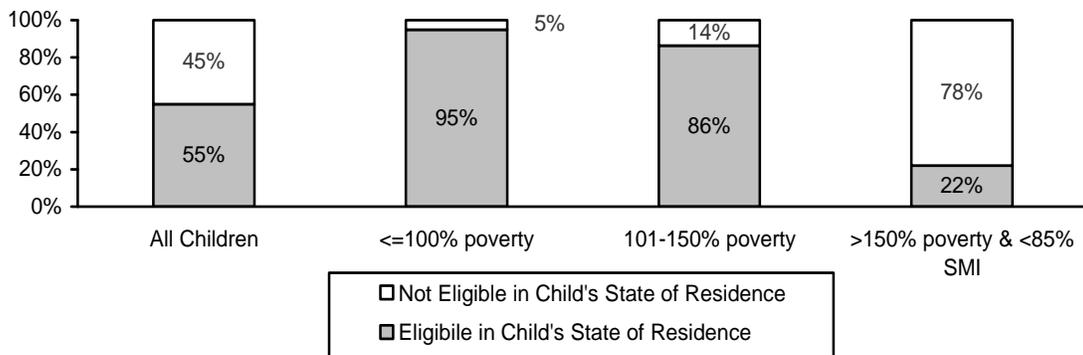


Figure 5 shows the extent to which children eligible for child care subsidies based on federal parameters were eligible under the rules defined by their state of residence. Slightly more than half (55 percent) of federally-eligible children were eligible for subsidies under state-defined rules. Almost all (95 percent) federally-eligible children from families with incomes less than 100 percent of poverty were eligible under state-defined eligibility rules. By comparison, less than a quarter (22 percent) of federally-eligible children from families with incomes greater than 150 percent of poverty were eligible for services in their state. This Figure shows only the percentage of children eligible for subsidies based on federal parameters that also were eligible under state rules and does not indicate rates of service.

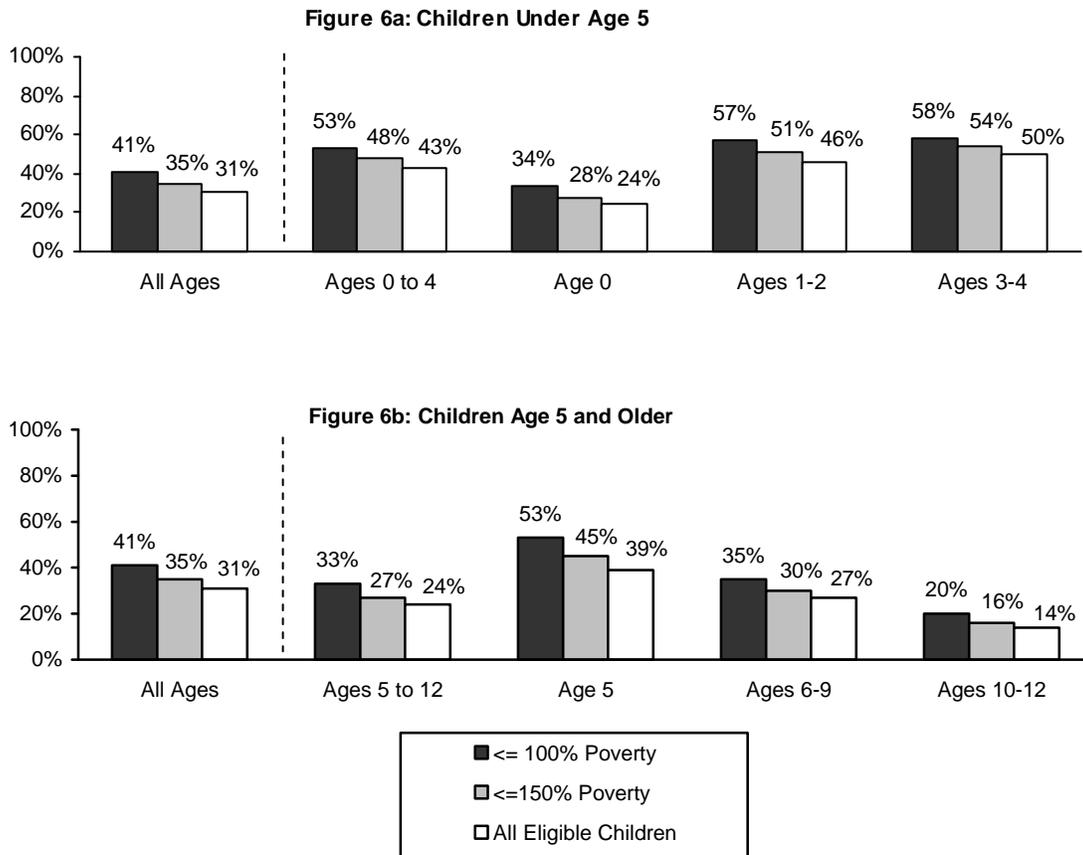
**Figure 5: Percentage of Children Potentially Eligible Under Federal Parameters that are also Eligible Under CCDF State-Defined Rules, by Poverty Status, Average Monthly, 2006**



<sup>10</sup> Some of ASPE's previous eligibility estimates excluded children age 4 and older that lived with at least one parent working between 1 and 19 hours per week. The estimates shown in this Issue Brief include this population when it is otherwise eligible. Had the previous methodology been used, the estimated number of children eligible under state-defined rules would have been about 3 percent lower (7,766,400 instead of 8,007,800) and the percentage of children served who were eligible under CCDF state rules would have been about 1 percentage point higher (32 percent instead of 31 percent). This change was made to provide greater internal consistency with the numerator of the calculation, which includes all children receiving subsidies, including school-aged children living with parents working less than 20 hours per week. This change does not impact the estimated number of children potentially eligible under federal parameters.

Approximately 31 percent of all children eligible under state-defined rules received subsidized care through CCDF or related government funding streams in fiscal year 2006 (see Figures 6a and 6b). As was the case when considering federally-eligible children, children eligible for assistance under state-defined rules who were between the ages of 1 and 4 (46 percent of children ages 1-2 and 50 percent of children ages 3-4) or from families with incomes below poverty (41 percent of all eligible children from families with incomes below 100 percent of poverty) were the most likely to be served.

**Figure 6: Percentage of Children Eligible Under CCDF State-Defined Rules that Receive Child Care Subsidies, by Age and Poverty Status, Average Monthly, 2006**



#### IV. Conclusion

Based on federal parameters that determine permissible eligibility, an estimated 14.57 million children were potentially eligible to receive child care subsidies in 2006. Roughly 2.51 million children, or one out of six (17 percent) federally-eligible children, received subsidized care through CCDF or related government funding streams in an average month of fiscal year 2006, with rates of coverage varying by age and poverty status.

## **Appendix I. Changes in Child Care Subsidy Eligibility and Receipt over Time**

### **Improvements over Previous Estimates**

ASPE has produced estimates of eligibility for and receipt of subsidized care through CCDF and related government funding streams for several years. ASPE has sought to make continuous improvements to the estimation model and methodology over time, and, when possible, these improvements have been applied retroactively to previous years' estimates.<sup>11</sup>

As a result of improvements made to the Current Population Survey (CPS), the 2006 estimate is able to include all unmarried parents living with their children when determining the eligible population. In previous estimates, only one of the unmarried parents could be considered in the eligibility determination process because of data limitations. Had the improvements made to the CPS been unavailable for the 2006 estimate, the number of children estimated to be federally-eligible for subsidies would have been 516,000 children higher (an increase of about 4 percent), and the percent served would have been 0.6 percentage points lower (16.6 percent instead of 17.2 percent). A similar increase in the number of children estimated to be eligible for subsidies based on state rules would occur if the estimation was done counting the income of unmarried partners as allowed under the improvements made to the CPS.

### **Trends in Eligibility and Receipt Without Improvements to the 2006 Current Population Survey**

Appendix Figure 1 displays the number of children federally-eligible for subsidies and the number of children receiving subsidies during the period 1999-2006.<sup>12</sup> The number of children eligible under federal parameters in Appendix Figure 1 is calculated without using improvements in the CPS regarding unmarried parents that are only available for the 2006 estimate. Any trends in eligibility and receipt over time should be interpreted with caution due to changes in estimation methods, measurement error, and demographic shifts affecting eligibility.

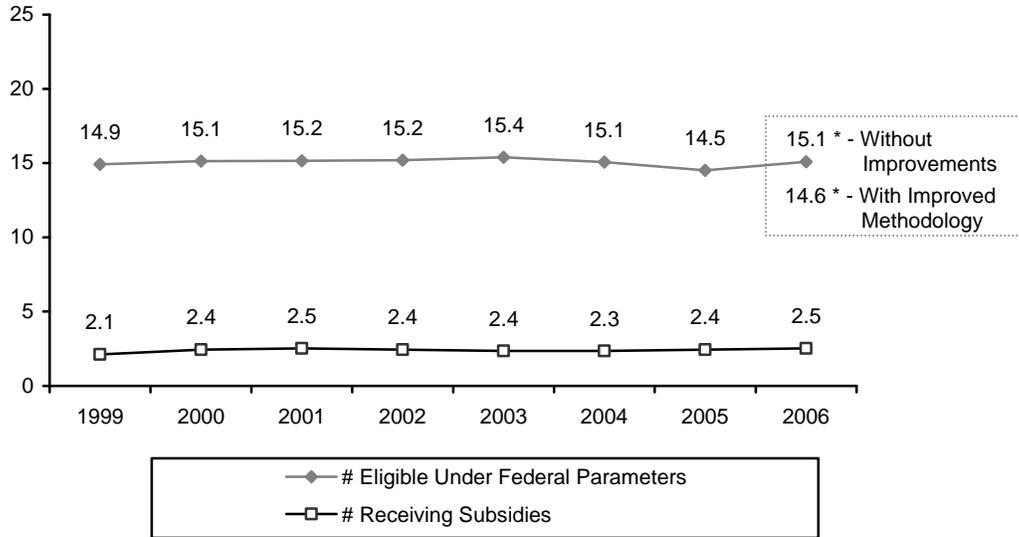
Appendix Figure 2 shows the total number of children, regardless of child care eligibility, estimated to have been living in households with incomes below 100 percent and 150 percent of poverty thresholds from 1999 to 2006. This figure has been included for reference.

---

<sup>11</sup> See Technical Appendix on Changes in Enrollment and Eligibility over Time from *Child Care Eligibility and Enrollment Estimates for Fiscal Year 2005* (<http://aspe.hhs.gov/hsp/08/cc-eligibility/ib.pdf>) for a description of previous changes in the estimation of eligibility and receipt.

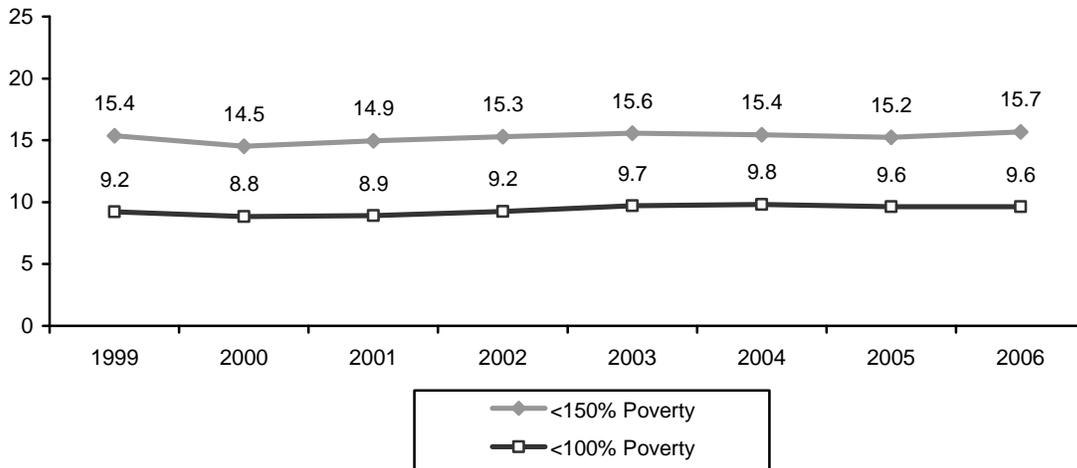
<sup>12</sup> Where possible, improvements in the methodology and model for child care estimation have been applied to estimates of child care eligibility and receipt in previous years. For this reason, prior year estimates in Appendix Figure 1 may not match estimates published in previous Issue Briefs.

**Appendix Figure 1: Number of Children Federally-Eligible and Number of Children Receiving Child Care Subsidies Considering Changes Added to the Current Population Survey for 2006, Average Monthly, 1999-2006 (Millions)**



\*Appendix Figure 1 was estimated without using recent improvements in the CPS for determining eligibility, which were unavailable prior to estimate year 2006. With the improvements, the estimate of the number of federally-eligible children in 2006 is 14.6 million (see Table 1 on page 1).

**Appendix Figure 2: Number of Children Under Age 13 Living in Families with Annual Incomes Below 100% and 150% Poverty Thresholds, 1999-2006 (Millions)**



Source: ASPE tabulations from the Current Population Survey, ASEC

**Appendix II. Child Care Eligibility and Receipt - Tables**

**Appendix Table 1: Number of Children Potentially Eligible for Child Care Subsidies under Federal Parameters, Average Monthly, Calendar Year 2006**

Age of Child	Parent is Student	Parent Employed 1-19 Hours	Parent Employed 20+ Hours	Family Income <=100% Poverty	Family Income 101-150% Poverty	Family Income >150% Poverty	All Eligible Children
0	110,840	89,350	813,510	306,250	209,940	497,500	1,013,690
1	142,480	68,460	835,390	314,770	225,050	506,510	1,046,320
2	83,220	99,990	911,690	345,140	244,130	505,630	1,094,900
3	84,630	65,960	1,014,880	352,090	232,690	580,680	1,165,470
4	92,960	79,580	922,200	303,370	230,280	561,090	1,094,740
5	96,630	76,960	984,930	293,730	267,990	596,800	1,158,520
6-9	239,300	307,270	3,925,460	1,143,550	940,340	2,388,150	4,472,040
10-12	156,330	210,510	3,043,880	747,330	751,360	1,912,020	3,410,720
13+	**	**	103,610	**	**	57,570	117,860
All	1,017,500	1,001,220	12,555,500	3,827,390	3,140,900	7,605,960	14,574,260

\*\* Cells with estimated populations under 50,000 are not shown

Totals may not sum due to rounding

See Notes on Appendix II Tables on page 14

Source: Current Population Survey, ASEC, analyzed with the TRIM3 Microsimulation Model

**Appendix Table 2: Number of Children Eligible for Child Care Subsidies under CCDF State-Defined Rules, Average Monthly, Calendar Year 2006**

Age of Child	Parent is Student	Parent Employed 1-19 Hours	Parent Employed 20+ Hours	Family Income <=100% Poverty	Family Income 101-150% Poverty	Family Income >150% Poverty	All Eligible Children
0	91,550	**	460,550	290,340	184,470	104,220	579,030
1	119,490	**	455,440	297,880	190,160	114,580	602,620
2	73,650	**	527,120	319,640	196,540	111,280	627,470
3	72,310	**	568,870	341,740	198,050	127,590	667,380
4	75,440	**	510,840	288,240	201,940	119,140	609,310
5	76,930	**	550,000	279,830	228,760	148,870	657,460
6-9	183,110	108,430	2,124,780	1,072,720	822,490	521,100	2,416,320
10-12	127,390	77,080	1,582,640	721,760	664,390	400,960	1,787,100
13+	**	**	**	**	**	**	61,110
All	829,310	348,890	6,829,610	3,630,670	2,712,690	1,664,430	8,007,800

\*\* Cells with estimated populations under 50,000 are not shown

Totals may not sum due to rounding

See Notes on Appendix II Tables on page 14

Source: Current Population Survey, ASEC, analyzed with the TRIM3 Microsimulation Model

**Appendix Table 3: Estimated Number of Children Receiving Child Care Subsidies through CCDF, SSBG, and TANF-Direct, Average Monthly, Fiscal Year 2006**

	Children Served by CCDF				Estimated Number of Children Served by CCDF, SSBG, and TANF-Direct			
	<=100% Poverty	101-150% Poverty	>150% Poverty	Total	<=100% Poverty	101-150% Poverty	>150% Poverty	Total
0	68,270	23,370	6,680	98,330	97,340	33,330	9,520	140,190
1	116,180	47,740	16,040	179,960	165,640	68,070	22,870	256,580
2	131,900	61,120	22,710	215,730	188,060	87,140	32,380	307,580
3	132,900	66,180	26,350	225,430	189,490	94,360	37,570	321,420
4	125,570	67,370	27,930	220,860	179,030	96,050	39,820	314,900
5	104,700	54,940	21,980	181,620	149,280	78,330	31,340	258,950
6-9	266,690	137,190	52,450	456,330	380,240	195,600	74,790	650,630
10-12	103,620	51,110	18,270	173,000	147,740	72,870	26,040	246,660
13+	3,900	1,990	560	6,450	5,560	2,830	800	9,190
All	1,053,730	511,000	192,970	1,757,700	1,502,390	728,580	275,140	2,506,110

Totals may not sum due to rounding

See Notes on Appendix II Tables on page 14

Source: Form-801 CCDF Administrative Records, U.S. Department of Health and Human Services, Administration for Children and Families

**Appendix Table 4: Number of Children Potentially Eligible for Child Care Subsidies by State, Two Year Average Monthly Estimates, Calendar Year 2005-2006**

State	Children Potentially Eligible Under Federal Parameters (Family Incomes < 85% SMI)			Children Eligible Under State-Defined Rules		
	Estimate	95% Confidence Interval, 2-Year Average (Low-High)		Estimate	95% Confidence Interval, 2-Year Average (Low-High)	
Alabama	181,490	146,690	216,300	92,150	67,090	117,200
Alaska	34,620	28,370	40,870	26,410	20,920	31,910
Arizona	304,200	255,730	352,660	176,890	139,540	214,240
Arkansas	124,620	101,480	147,750	52,190	37,050	67,340
California	1,760,110	1,642,420	1,877,800	1,177,390	1,080,330	1,274,450
Colorado	229,580	187,930	271,230	153,110	118,810	187,420
Connecticut	166,000	135,660	196,340	82,040	60,440	103,630
Delaware	45,550	37,630	53,470	24,660	18,760	30,560
District of Columbia	25,220	19,860	30,570	25,350	19,980	30,710
Florida	816,420	740,420	892,410	369,150	317,370	420,930
Georgia	483,440	426,220	540,660	236,980	196,350	277,610
Hawaii	71,560	60,180	82,930	59,410	49,000	69,830
Idaho	65,490	53,280	77,700	26,020	18,220	33,830
Illinois	653,170	585,110	721,230	394,670	341,180	448,160
Indiana	321,910	275,230	368,590	95,820	69,860	121,790
Iowa	162,560	134,580	190,540	57,070	40,180	73,950
Kansas	157,240	130,510	183,980	86,880	66,780	106,990
Kentucky	170,960	137,220	204,710	97,660	71,910	123,410
Louisiana	198,540	162,320	234,770	163,140	130,160	196,130
Maine	46,050	35,340	56,760	45,310	34,680	55,930
Maryland	307,850	261,210	354,490	139,020	107,180	170,850
Massachusetts	262,290	220,280	304,290	84,720	60,510	108,940
Michigan	475,570	418,420	532,720	186,350	150,070	222,630
Minnesota	299,130	254,460	343,800	99,970	73,610	126,320
Mississippi	149,560	123,750	175,370	118,970	95,820	142,120
Missouri	290,130	245,130	335,130	76,680	53,100	100,260
Montana	37,110	29,590	44,630	14,420	9,680	19,160
Nebraska	97,160	80,440	113,870	16,670	9,580	23,750
Nevada	126,260	103,200	149,320	110,710	89,050	132,370
New Hampshire	56,120	45,130	67,120	17,850	11,550	24,140
New Jersey	428,610	373,660	483,570	175,670	139,940	211,390
New Mexico	91,840	73,520	110,150	63,740	48,380	79,110
New York	850,430	771,100	929,760	571,140	505,630	636,650
North Carolina	467,340	410,360	524,310	328,930	280,770	377,100
North Dakota	28,650	23,270	34,030	19,420	14,950	23,880
Ohio	676,330	608,600	744,060	374,780	323,650	425,910
Oklahoma	141,940	113,290	170,580	173,180	141,690	204,680
Oregon	138,290	108,460	168,120	75,940	53,650	98,220
Pennsylvania	587,630	524,090	651,170	328,120	280,180	376,060
Rhode Island	45,640	36,330	54,940	28,440	21,030	35,860
South Carolina	228,730	189,760	267,700	123,340	94,350	152,330
South Dakota	40,370	33,810	46,930	27,400	21,940	32,850
Tennessee	269,290	226,470	312,110	121,070	92,010	150,130
Texas	1,172,460	1,075,340	1,269,580	586,630	517,020	656,240
Utah	155,810	132,950	178,680	75,890	59,680	92,110
Vermont	24,560	19,260	29,850	12,470	8,660	16,290
Virginia	380,120	329,330	430,900	225,520	186,000	265,030
Washington	288,230	242,470	333,990	172,210	136,500	207,910
West Virginia	58,240	46,180	70,300	37,320	27,600	47,030
Wisconsin	288,840	244,200	333,480	156,270	123,010	189,520
Wyoming	20,030	15,660	24,400	15,220	11,400	19,050

See Notes on Appendix II Tables on page 14

Source: Current Population Survey, ASEC, analyzed with the TRIM3 Microsimulation Model

**Appendix Table 5: Number of Children Potentially Eligible for Child Care Subsidies under Federal Parameters Living in Families with Incomes Under 100% and 150% Poverty by State, Two Year Average Monthly Estimates, Calendar Year 2005-2006**

State	Children Potentially Eligible Under 100% Poverty			Children Potentially Eligible Under 150% Poverty		
	Estimate	95% Confidence Interval, 2-Year Average (Low-High)		Estimate	95% Confidence Interval, 2-Year Average (Low-High)	
Alabama	68,840	47,130	90,550	111,200	83,740	138,670
Alaska	5,830	3,210	8,460	13,120	9,210	17,040
Arizona	95,010	67,650	122,370	158,830	123,400	194,250
Arkansas	40,330	26,970	53,690	69,300	51,890	86,700
California	414,600	356,390	472,810	800,400	719,980	880,820
Colorado	47,070	27,830	66,320	89,390	62,990	115,780
Connecticut	27,500	14,920	40,090	51,050	33,930	68,170
Delaware	8,790	5,230	12,350	15,990	11,210	20,770
District of Columbia	11,310	7,670	14,940	16,170	11,850	20,500
Florida	202,250	163,770	240,730	390,740	337,510	443,980
Georgia	176,120	141,010	211,240	273,000	229,490	316,510
Hawaii	13,740	8,630	18,840	26,940	19,820	34,050
Idaho	15,110	9,140	21,080	36,980	27,720	46,240
Illinois	151,960	118,450	185,470	278,700	233,540	323,860
Indiana	84,650	60,250	109,060	143,700	112,040	175,370
Iowa	42,370	27,790	56,950	76,960	57,420	96,500
Kansas	39,800	26,050	53,550	70,120	51,990	88,240
Kentucky	61,330	40,830	81,820	107,060	80,130	133,990
Louisiana	85,840	61,700	109,980	146,680	115,310	178,040
Maine	10,530	5,340	15,730	22,190	14,690	29,690
Maryland	66,650	44,460	88,850	111,660	83,050	140,270
Massachusetts	33,730	18,410	49,050	74,350	51,640	97,060
Michigan	119,060	89,960	148,150	202,320	164,550	240,100
Minnesota	40,290	23,470	57,120	85,310	60,930	109,690
Mississippi	69,030	51,240	86,820	107,500	85,450	129,550
Missouri	67,420	45,290	89,550	134,010	103,000	165,020
Montana	13,990	9,330	18,650	23,200	17,220	29,190
Nebraska	13,650	7,240	20,060	32,110	22,310	41,900
Nevada	22,490	12,580	32,400	54,540	39,160	69,920
New Hampshire	6,080	2,390	9,770	14,160	8,540	19,770
New Jersey	66,320	44,230	88,410	148,800	115,880	181,720
New Mexico	39,860	27,620	52,100	65,910	50,300	81,530
New York	249,460	205,810	293,100	416,780	360,590	472,970
North Carolina	150,600	117,640	183,570	250,170	207,920	292,430
North Dakota	6,840	4,170	9,520	14,390	10,530	18,250
Ohio	185,790	149,500	222,080	314,560	267,590	361,530
Oklahoma	46,790	30,120	63,460	83,710	61,520	105,900
Oregon	40,560	24,180	56,930	80,680	57,730	103,640
Pennsylvania	152,250	119,350	185,140	266,980	223,640	310,330
Rhode Island	10,590	6,030	15,140	18,250	12,300	24,210
South Carolina	82,070	58,310	105,830	135,790	105,420	166,160
South Dakota	8,750	5,630	11,860	17,210	12,860	21,570
Tennessee	72,120	49,590	94,650	152,980	120,380	185,570
Texas	379,440	323,200	435,680	722,870	645,840	799,910
Utah	42,390	30,180	54,590	72,010	56,200	87,820
Vermont	3,290	1,310	5,260	6,860	4,020	9,700
Virginia	76,390	53,220	99,560	175,750	140,760	210,730
Washington	53,660	33,540	73,780	126,380	95,720	157,030
West Virginia	28,180	19,720	36,640	44,960	34,320	55,600
Wisconsin	77,050	53,530	100,580	127,810	97,660	157,960
Wyoming	5,860	3,460	8,250	9,620	6,560	12,680

See Notes on Appendix II Tables on page 14

Source: Current Population Survey, ASEC, analyzed with the TRIM3 Microsimulation Model

## Notes on Appendix II Tables

**Poverty Status:** In Appendix Tables 1, 2, 3, and 5, poverty status is based on 2006 poverty thresholds published by the U.S. Census Bureau, Housing and Household Economic Statistics Division. Since state-submitted Form-801 CCDF Administrative Records of subsidy reports recipients' monthly income, the Census Bureau threshold is divided by twelve to create a comparable monthly threshold. Due to the source and limitations of data, the family income used to estimate poverty status of children who receive subsidies is calculated differently than for children who are eligible for subsidies. Recipient poverty status is based on family income used to determine child care subsidy eligibility, as reported by the state on Form-801 CCDF Administrative Records for fiscal year 2006. Family income is reported after any relevant income disregards have been applied. Poverty status of eligible children is determined based on full family income reported to the Current Population Survey for calendar year 2006 prior to application of any relevant income disregard.

**Parent is Employed or Student Status:** In Appendix Tables 1 and 2, "parent is student" status indicates that an eligible recipient lives in a household with a parent who is not employed because he or she is in school. Eligible recipients living with an employed parent who is also in school would not be included in the "parent is student" category. In the case of multiple parent households, children are categorized by the parent with the least amount of employment hours. For example, if an eligible child has one parent working 40 hours per week and another parent working 18 hours per week, the child will be categorized as "parent employed 1-19 hours." Eligible recipients living with a parent who is employed and a parent who is not employed because he or she is in school would be included in the "parent is student" category.

**State by State Estimates of Eligibility:** In Appendix Table 4, the estimate of potentially eligible children under federal parameters does not consider state-allowable income disregards when determining whether a child's family income is below 85 percent of SMI. In some states, income disregards could lead to a higher estimate of children eligible under state-defined rules than under federal parameters. In Appendix Table 5, some children from families below 150 percent of poverty are ineligible for subsidies because their family income exceeds 85 percent of SMI. In Appendix Tables 4 and 5, the two year average monthly estimates for years 2005 and 2006 use the state median incomes published in February 2005, the most recent data available to the states at the time they were preparing their FY 2006-2007 state plans.

**DEPARTMENT OF HEALTH  
& HUMAN SERVICES**

Office of the Secretary  
Washington, DC

OFFICIAL BUSINESS  
**Penalty for Private Use \$300**

