



SUBSIDY USE AMONG CHILDREN ENROLLED AT FAMILY DAY HOMES IN VIRGINIA'S SUBSIDY PROGRAM

Sites participating in Virginia's Child Care Subsidy Program (CCSP) accept publicly funded subsidies from eligible families who may otherwise struggle to pay for child care. Not all children at sites participating in CCSP use subsidies, however; families of children not participating in CCSP typically pay the full cost of tuition. To date, it has not been clear what share of children at these sites actually use subsidies.

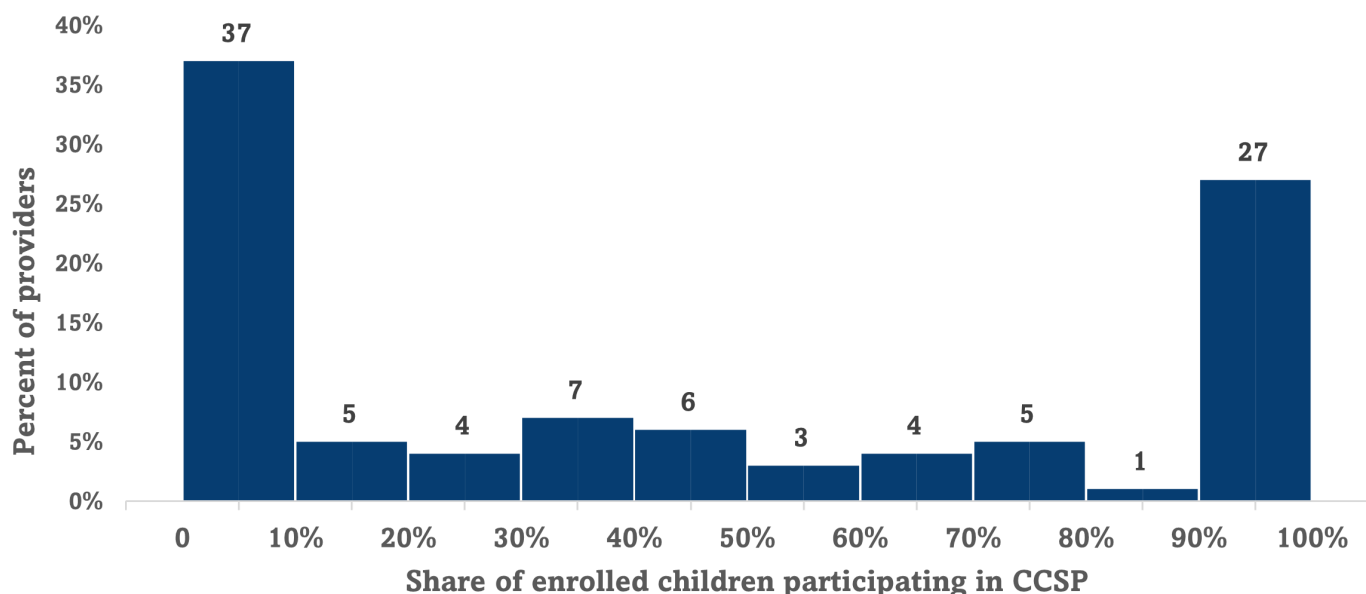
Between November 2021 and January 2022, all child care providers in Virginia serving children ages 0-5 were invited to participate in the **Virginia Child Care Provider Survey**. Fifty-two percent of family day homes¹ in Virginia (N=1,373) completed the survey, including 740 family day homes participating in CCSP. This brief describes subsidized enrollment relative to total enrollment among the 648 family day homes that reported participating in CCSP and enrollment information.

**1 in 3 children enrolled at a family day home participating
in CCSP is using a subsidy²**

56%

**of family day homes participating in CCSP fill less than 50% of enrollment with
children using subsidies**

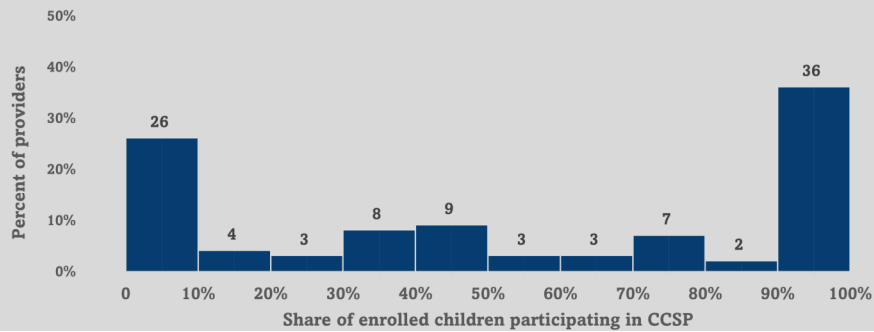
**36% of family day homes participating in CCSP have no children enrolled using
subsidies; 27% fill all their enrollment with children using subsidies**



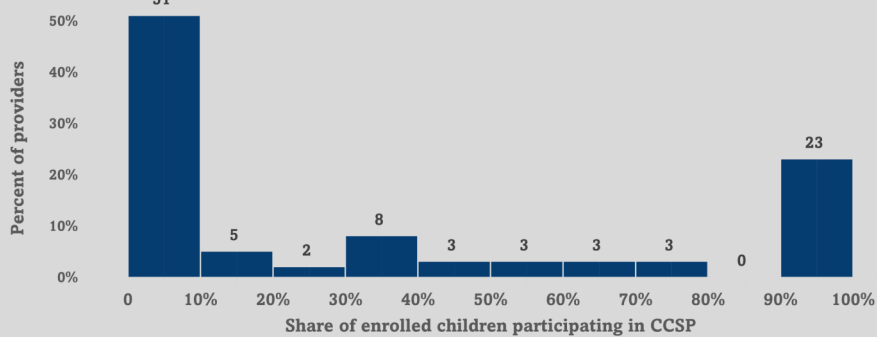
This data brief provides insights from the *Building a Stronger Child Care System in Virginia* project, a partnership between the University of Virginia (UVA), the Virginia Department of Education (VDOE), and the Virginia Department of Social Services (VDSS) that aims to understand how to increase families' access to affordable child care in Virginia.

Family day homes in high poverty areas enroll larger shares of children using subsidies, but there is substantial variation even in areas where many families may be eligible.

Family day homes in high poverty areas



Family day homes in low poverty areas



Note: An “area” is defined as a Census tract. Census tract poverty level is approximated by the proportion of the under 18 population with income below 300% of the Federal Poverty Line (FPL) based on the 2019 ACS 5-year estimates.³ High poverty is defined as above 66% with income below 300% of the FPL, and low poverty is defined as less than 33%. Based on a sample of 187 family day homes in high poverty tracts and 159 family day homes in low poverty tracts.

Key Takeaways

- **Many family day homes participating in Virginia’s subsidy program fill a small share of their enrollment with children using subsidies.**
- **Encouraging participating providers to serve more children using subsidies may improve access to child care for families with lower incomes.**
- **Increasing subsidy reimbursement rates, as Virginia did in October 2022, could meaningfully increase revenue, especially for providers who serve a larger share of children using subsidies. Higher reimbursement rates may make it more appealing for providers to serve more children participating in CCSP.**

¹ A family day home is a home-based provider listed in VDSS’s licensing system. A family day home can enroll up to 12 children.

² The median percent CCSP enrollment among family day homes was 33%. Family day homes had a median total enrollment of 4 children.

³ In Virginia, families eligible for the subsidy program must have incomes below locally set thresholds, the maximum of which is 85% of the State Median Income (SMI). As of 2019, 85% of Virginia SMI was equivalent to an annual household income of approximately \$66,000, while 300% of the FPL was approximately \$64,000 for a family of 3.

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