



Child Care Subsidy: Expanded Eligibility for Working Families

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The Need for Expanded Access to Child Care Subsidy



- Affordable child care helps create opportunities for economic mobility
- Restricted access to affordable child care contributes to a cycle of poverty



BOCC Priorities



Addresses key Mecklenburg County Board Priorities:

- Reduce Racial Disparities
- Reduce Education Attainment Gaps
- Improve Workforce Development



Barriers to Affordable Child Care



Barrier 1: Eligibility Cliff

Earnings above the State income eligibility threshold, prevent households from qualifying for child care subsidy:*

Birth to age 5: \$43,920
(200% FPL)

Age 5-12: \$29,208
(133% FPL)



*Income limits are for a family of three



Household Example 1

- Mom with two children, ages 3 and 10
- Earnings: \$44,000



<i>Monthly Budget</i>	
<i>After-Tax Pay</i>	\$2,940
<i>Expenses:</i>	
Rent	\$1,500
Child Care	\$1,000
Additional HH Expenses	\$1,400
<i>Shortfall of Funds</i>	-\$960



Barrier 2: Benefits Cliff

Loss of public benefits when career advancement places a household over the income eligibility threshold for public assistance

NC Child Care Subsidy Benefits Cliff:

- **85%** of State Median Income
- **\$57,648** for a family of three



Household Example 2

- Mom with two children, ages 3 and 10
- Earnings: \$58,000



<i>Monthly Budget</i>	<i>With Subsidy</i>	<i>Without Subsidy</i>
<i>After-Tax Pay</i>	\$3,777	\$3,777
<i>Expenses:</i>		
Rent	\$1,500	\$1,500
<u>Child Care</u>	<u>\$483</u>	<u>\$1,000</u>
Additional HH Expenses	\$1,400	\$1,400
<i>Remaining Funds</i>	\$394	-\$123



Barrier 3: Work/Education Hour Requirements

- Work/education requirement of 30 hours per week per NCDHHS policy
- Prohibits families with fewer work/education hours from accessing child care subsidy
- With subsidy, families could increase their employment or education opportunities



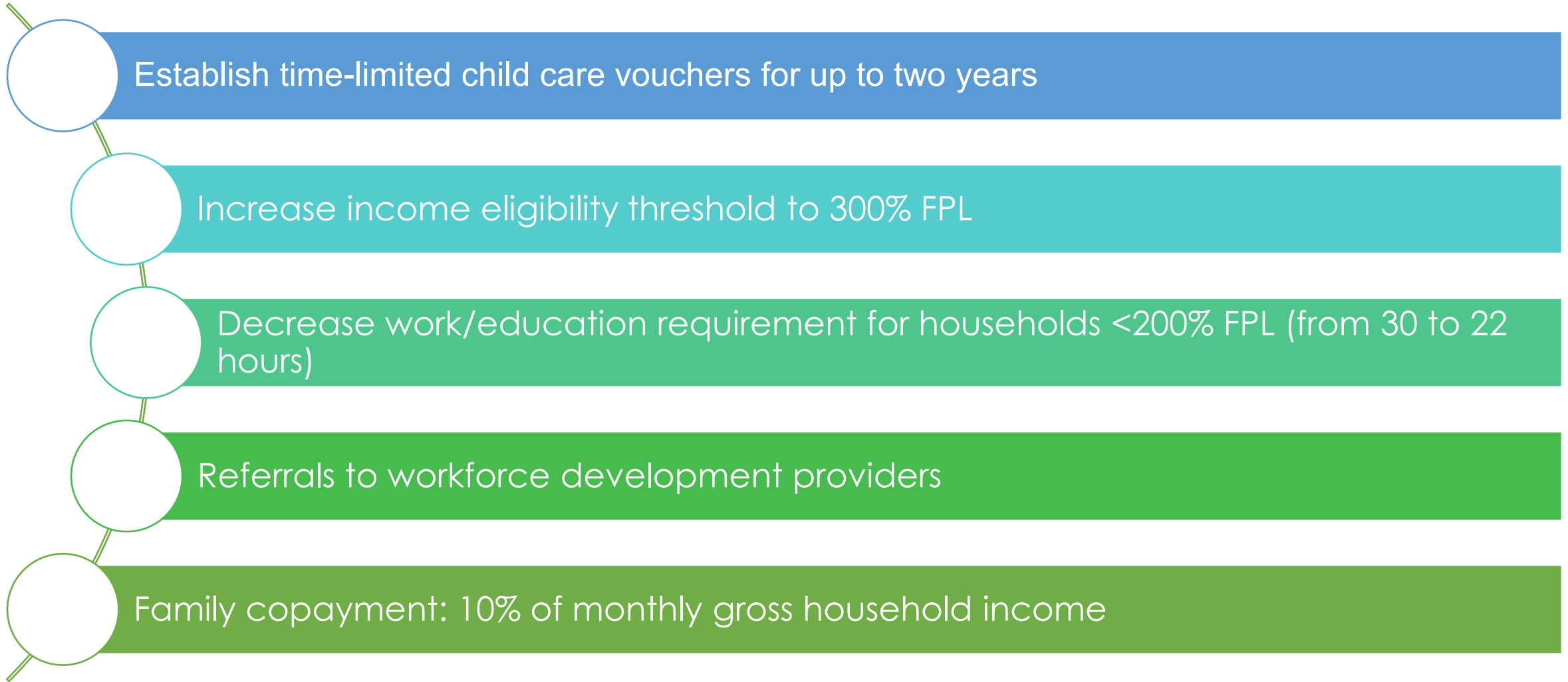
Household Example 3



- Father of two school-age children
- Laid off from work during the pandemic
- Found part-time work of 25 hours per week
- Can't afford afterschool child care that would enable him to work additional hours
- Doesn't qualify for child care subsidy because of the 30 hour per week work requirement



Basic Program Structure



Budget

- An estimated minimum of 700 children ages birth to 12 will be served through this effort
- The projected cost for the initiative is \$10.5M
((\$5.25 in FY22 and \$5.25 in FY23))



Goals of Proposal

1

Increase access
to child care
subsidy

2

Create pathways for
education, training
and employment

3

Serve at least 700
children (birth to 12)
across two years

4

Assess program
impact





QUESTIONS/ DISCUSSION