National Center for Children in Poverty
Columbia University
MAILMAN SCHOOL OF PUBLIC HEALTH

Map and Track
State Initiatives for Young Children and Families

2000 Edition

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NCCP National Center for Children *in* Poverty

Columbia University
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The **National Center for Children in Poverty** (NCCP) was established in 1989 at the School of Public Health, Columbia University, with core support from the Ford Foundation and the Carnegie Corporation of New York. The Center's mission is to identify and promote strategies that prevent child poverty in the United States and that improve the lives of low-income children and their families. NCCP places a special emphasis on preventing or alleviating poverty among children under age six because young child poverty poses particularly serious risks to children's healthy growth and development.

NCCP:

- Conducts sound research to identify and promote wise investments in low-income families that have important long-term benefits for children, families, their communities, their states, and the nation as a whole.
- Employs a multi-disciplinary approach to build bridges between academic research, field-based knowledge of the experiences of low-income families raising children, attitudinal research, and the development of public and private sector initiatives for low-income families with children.
- Works to accurately, effectively, clearly, and broadly communicate its research in compelling ways and to synthesize relevant research to meet the needs of key audiences that work on issues affecting low-income families.
- Helps key stakeholders and the general public understand and effectively respond to the constantly changing face of child poverty. NCCP does this by assessing and tracking: the definition and measurement of child poverty; the impact of child poverty on various sub-populations; the effects of particular policies on low-income families and children; and public attitudes and awareness regarding child poverty, low-income families, and related issues.

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Section I

Overview and Findings

Chapter 1

Introduction and Overview

This report tracks growing state-level efforts to promote positive outcomes for young children, including efforts to enhance children's economic security, healthy growth and development, and school readiness. As the third biennial edition of *Map and Track: State Initiatives for Young Children and Families*, it builds on information released in the 1996 and 1998 editions.

Since the first edition of *Map and Track*, the question of what states are doing to promote the well-being of America's youngest children and their families has, in some ways, become more pressing. A growing number of parents of young children are in the workforce, and many families with young children are struggling financially. Specifically:

- **The proportion of employed mothers continues to increase.** In 1999, 57 percent of mothers with infants under one year of age were in the labor force. Of mothers with children under age six, 65 percent were in the labor force—two-thirds of whom worked full-time.[1]

- **Welfare reform requires most recipients to work.** The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) has contributed to increased employment rates among some of the nation's poorest parents, especially single mothers. However, the loss of benefits, coupled with low wages, keeps many working families from rising above poverty, while parents struggle to raise their children.

- **Despite unprecedented prosperity, nearly one in five young children remains poor.** In 1999, the child poverty rate was the lowest it had been since 1979. Nonetheless, more than four million children under age six continue to live in poverty. And about 40 percent of young children live in families with incomes below 200 percent of the federal poverty level.[2]

These changes mean that an increasing proportion of parents with young children, of all income levels, are struggling to balance the demands of work with the challenges of parenting. These stresses are magnified for low-income families, especially those headed by single parents, who tend to have fewer financial resources and often fewer options to help them juggle competing responsibilities.

At the same time, the importance of focusing on the well-being of our nation's youngest citizens has been highlighted by recent developments in early childhood research and a growing national interest in promoting successful school entry.

- **Research findings emphasize that children's early years are critically important for later development.** Studies on early brain development show that the quality of children's earliest experiences affects brain growth and later emotional development.[3] Other research finds that the potential negative consequences of poverty—which puts children at great risk for poor school, behavioral, and social outcomes—are especially marked for younger children.[4] Together these findings suggest the importance of linking family economic security with child development and family support initiatives in new ways.

- **Goal One of the national Educate America Act signaled a national interest in school readiness.** Goal One calls for every child to enter school ready to learn. It provides states with a strategic framework to organize efforts to improve outcomes for young children, taking into account their physical, emotional, and cognitive development, as well as school and community factors that influence whether a child enters kindergarten ready to succeed in school.[5]

These demographic trends, research findings, and national goals increase the need and the opportunities for states to use public policy as a key tool to support parents in two of their most important responsibilities—providing for their family's financial well-being and nurturing their children.

The Focus of *Map and Track 2000*

Map and Track 2000 examines the following types of state-level efforts to improve the well-being of young children and their families.

1. **Investing in child development and family support programs.** Child development and family support programs aim to promote nurturing parent-child relationships, help children enter school ready to learn, and support adults in their dual roles as parents and wage earners. Although state-funded programs are varied, some of the more common program types include family support home visiting, prekindergarten, parent education and involvement, and family resource centers. Over time, many child development and family support programs have broadened their goals and service approaches, blurring the lines among distinct program types.

2. **Building coordinated systems of care that address the multiple needs of children, their parents, and families as a whole.** Recognizing that developing individual programs is not sufficient to address the multiple needs of young children and families, state policymakers are increasingly attending to early childhood systems development—developing the infrastructure, resources, and leadership necessary to create a coordinated system of services and supports to address the many needs of young children and their families. Early childhood systems development

efforts typically include some combination of the following: improving the quality of programs and services, developing mechanisms for cross-system collaboration, linking state- and local-level planning, identifying and tracking outcomes, and mobilizing the public around early childhood issues.

3. **Promoting family economic security.** The economic well-being of a young child's family has critical implications for child development. States are investing in two types of efforts that can promote greater economic security for families. The first type includes direct efforts to increase disposable income, such as state income tax policies that allow low-income families to keep larger portions of their earnings and that supplement wages (e.g., through refundable tax credits) and state minimum wage laws that raise the minimum wage above the federal level. The second type includes efforts to provide basic supports, such as child care assistance, health insurance, and food and nutrition benefits. Basic supports help families with limited incomes meet their basic needs and enter and remain in the workforce while ensuring that children have access to services that promote healthy development.

The inclusion of efforts to promote family economic security in this edition of *Map and Track* represents a departure from past editions, which focused more narrowly on state-funded child development and family support programs and early childhood systems development efforts. All of this information has been combined in a single report because policy efforts focused on family economic security and those focused on early childhood development are both critical for the well-being of young children. However, as with past editions, the main focus of *Map and Track 2000* continues to be on child development and family support—both programs and early childhood systems development initiatives.

What *Map and Track 2000* Tracks

Child Development and Family Support

For each of the 50 states and the District of Columbia (referred to as a state for simplicity), *Map and Track 2000* provides information about the following state-funded child development and family support efforts:

- **State-supported programs for infants and toddlers, preschoolers, and children from birth to age six:** Programs with a central focus on child development and/or family support, such as an explicit focus on promoting positive parent-child relationships or school readiness.

- **State efforts to prepare children for the transition to school and state kindergarten requirements:** Whether state-funded prekindergarten programs require plans for the transition to kindergarten and whether the state requires school districts to provide half- or full-day kindergarten.

- **Early childhood systems development:** Efforts to improve the quality of programs and services, develop mechanisms for cross-system collaboration, link state- and local-level planning, identify and track outcomes, and mobilize the public around early childhood issues.

To be included in *Map and Track 2000*, state child development and family support efforts must meet the following criteria:

- **Focus:** Included efforts have a central focus on child development and/or child and family relationships. Other than information on child care subsidies and health insurance eligibility (see below), *Map and Track 2000* does not include programs or initiatives whose *predominant* focus is child care (such as initiatives to improve child care quality) or health (such as programs focused only on prenatal or well-baby care). This is for three reasons. First, although some child care and health initiatives explicitly address child development and parent-child relationships, many do not. Second, more research is available on health-focused and child care-focused initiatives (especially the latter) than on the types of efforts profiled here. Finally, *Map and Track* focuses on *state-funded* investments in early childhood, and most child care and health initiatives are funded primarily by federal dollars.

  Map and Track 2000 excludes programs that serve only children with identified developmental delays or disabilities; however, it includes programs that serve children *at risk* for developmental delays because of environmental factors such as poverty.

- **Funding:** Included programs and initiatives had to be funded in fiscal year 2000 with state funds or with federal Temporary Assistance to Needy Families (TANF) funds that can be used at state discretion. Programs and initiatives that are funded by multiple sources—including federal, local, or private funds—are included as long as the amount of state or TANF funding met the scale criterion described below. Systems development efforts did not have to be funded to be included.

- **Scale:** Fiscal year 2000 spending from state funds or federal TANF funds had to equal or exceed one dollar per child under age six in the state. The purpose of this criterion was to exclude programs without a significant state funding commitment—minor programmatic efforts as well as programs funded primarily by nonstate sources.

Family Economic Security

To examine state efforts to promote family economic security, *Map and Track 2000* provides data on the following policies and benefits:

- **Wage and income supports:** State income tax thresholds, refundable earned income and dependent care tax credits, state minimum wage levels, and TANF benefits.

- **Child care assistance through the federal Child Care and Development Fund (CCDF):** CCDF subsidy coverage, subsidy purchasing power, family co-payment burden, and state transfers of TANF block grant funds to CCDF.

- **Health and nutrition assistance:** Medicaid and Children's Health Insurance Program (CHIP) eligibility levels for young children, Medicaid eligibility levels for parents, food stamp coverage, and state supplements to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

These policy efforts were chosen in part because they have the potential to increase disposable family income—by increasing take-home pay, allowing families to keep more of their earnings, and reducing family expenses. Basic supports such as child care subsidies and health insurance also help to support parental employment as well as provide children with access to services. The range of indicators is limited by available data.

Data Sources and Methodology

To collect the information on state child development and family support efforts, NCCP built on the methodology used in previous editions. An initial survey was sent to a single informant in each state who was knowledgeable about the state's early childhood efforts. These initial contacts, identified with the help of the National Governors' Association, were typically located in governors' offices. The survey asked respondents to identify state programs and initiatives and to suggest names of contacts who could provide more in-depth information. Surveys were followed up between April and October 2000 with phone calls to over 300 key informants in state departments of education, human services, and health. After the data were compiled, all contacts were asked to verify the accuracy of the information.

To examine state efforts to promote family economic security, *Map and Track 2000* uses secondary data from federal agencies and policy research organizations. The data used were the most recent available when the data were compiled; dates of data collection range from 1998 to 2000. See the Reader's Guide to the State Profiles for more detailed information.

Some of the data presented in the individual state profiles and appendices (see Appendix B: Demographic Statistics), such as young child poverty rates and other data about the status of young children and their families, were derived from NCCP's analyses of the March Current Population Surveys from the U.S. Census Bureau and Bureau of Labor Statistics. Due to small sample sizes in some states, the numbers presented are averages based on three years of data—1994, 1996, and 1998. More detailed information about the data and NCCP's analyses is provided in Appendix A: *Technical Appendix for Demographic Statistics*.

How *Map and Track 2000* is Organized

Chapter 2 provides the findings on state child development and family support efforts, and Chapter 3 summarizes secondary source data on state efforts to promote family economic security. Chapter 4 reviews the report's major findings and provides suggestions for future state early childhood efforts. The chapters are followed by individual state profiles for the 50 states and the District of Columbia. The profiles are accompanied by a Reader's Guide that provides detailed information about the data, data sources, and dates of data collection.

The appendices summarize the data presented in the individual state profiles and provide more information about how some of the data were analyzed.

The report's findings are also summarized in *Map and Track 2000 at a Glance*, available in print or on the NCCP Web site: www.nccp.org. The state profiles and selected tables and charts are also available on the Web site.

Endnotes

1. U.S. Department of Labor, Bureau of Labor Statistics. (2000). Employment characteristics of families: Table 5. Employment status of the population by sex, marital status, and presence and age of own children under 18, 1998–99 annual averages and Table 6: Employment status of mothers with own children under 3 years old by single year of age of youngest child, and marital status, 1998–99 annual averages. <http://stats.bls.gov/news.release/famee.toc.htm>

2. Bennett, N. G. & Lu, H. (2000). *Child poverty in the states: Levels and tends from 1979 to 1998* (Child Poverty Research Brief No. 2). New York, NY: National Center for Children in Poverty, Columbia University Mailman School of Public Health and U.S. Census Bureau. (2000). *Poverty in the United States* (Current Population Reports No. P60-210). Washington, DC: U.S. Department of Commerce: Table 2: Age, Sex, Household Relationship, Race, and Hispanic Origin by Ratio of Income to Poverty Threshold: 1999.

3. Shore, R. (1997). *Rethinking the brain: New insights into early development.* New York, NY: Families and Work Institute.

4. Smith, S.; Brooks-Gunn, J.; & Klebanov, P. (1997). Children in poverty: School readiness and emotional development. In G. J. Duncan & J. Brooks-Gunn, (Eds.). *Consequences of growing up poor*. New York, NY: Russell Sage Foundation.

Brooks-Gunn, J. & Duncan, G. J. (1997). The effects of poverty on children. *The Future of Children*, 7(2), pp. 55–71.

5. See *Goals 2000: Educate America Act,* P. L. 103-227, enacted March 31, 1994.

Chapter 2

State Child Development and Family Support Efforts for Young Children and Families

Across the states there is growing recognition of the importance of investing in young children. However, the levels of state investment and the ways funds are being used vary greatly. This chapter presents the findings on state-supported child development and family support programs and initiatives, highlighting the nature and levels of investments across the states. The chapter is organized in two major parts. The first part focuses on programs the states are developing to serve distinct age groups—infants and toddlers, preschoolers, or all children under age six. It highlights program types, overall trends in state efforts, and challenges reported by the states. The second part focuses on early childhood systems development, that is, state efforts to build comprehensive and coordinated systems of services that address the multiple needs of young children, parents, and families as a whole. A brief section at the end of the chapter summarizes funding trends across program and systems development efforts. Examples of states using different program and systems development approaches are included throughout for illustrative purposes. (See the individual state profiles for more detailed state information.)

State Approaches to Developing Child Development and Family Support Programs

Improving the Well-Being of Infants and Toddlers

Programmatic Approaches

States reported four types of state-funded child development and family support programs that specifically address the needs of infants and toddlers and their families. (As noted in Chapter 1, *Map and Track* does not track efforts that focus *exclusively* on child care or basic health services.[1])

- **Supplements to the federal Early Head Start program.** Early Head Start provides individualized child development and parent education services to low-income infants, toddlers, and pregnant women in home- and center-based settings. The program aims to promote healthy physical, cognitive, language, social, and emotional development in young children; enhance the quality of parent-child relationships; help families achieve economic security; and enhance parents' capacity to serve as their children's first and primary teachers. Many programs also provide infant and toddler child care or work with community providers who do. States supplementing Early Head Start use the funds to increase the number of slots, expand part-time programs to full-day and sometimes full-year, and improve the quality of services. For example:

> **Missouri's** Early Head Start supplement provides services through partnerships with existing family child care homes, serving additional children and improving the overall quality of care in participating communities.

- **Home visits to families with newborns, often targeting first-time parents.** An increasing number of states are implementing home visiting programs for new parents to provide them with basic information about parenting and child development and to screen families for various risks (e.g., developmental delays in children, potential child abuse and neglect). Those identified as being at risk are frequently offered ongoing services or referred to other programs designed for families with greater needs (see next program type). Home visitors may be volunteers, paraprofessionals, or public health nurses. Although many of these programs target higher risk families, either explicitly or by being located in areas with high concentrations of poverty, more states are offering programs that are universally available to new parents for an initial visit and screening. For example:

> **Florida's** Healthy Start provides universal access to health and developmental screenings, parent education, home visits, case management, and referrals to pregnant women and families with infants up to age one (or three in some areas). Local public-private partnerships design and monitor service delivery.

> **Minnesota's** Healthy Beginnings Home Visiting Program offers expectant and new parents information on parenting, infant growth and development, and health and safety; support for strengthening parenting; and links to community resources.

- **Ongoing family support for families with high-risk infants and toddlers.** Services targeting high-risk families typically aim to strengthen the relationship between parents and infants, help parents with early parenting challenges, ensure that children have access to regular health care, prevent child abuse and neglect, and link families to other services. Services are generally provided through regular home visits by paraprofessionals, social workers, or registered nurses and are sometimes combined with center-based activities (such as parent groups or parent-child activities); a few such programs are entirely center-based. Many of the programs that provide home visits to families with newborns (discussed above) also provide ongoing services for high-risk families, but in other cases, ongoing services are provided by separate programs and may be of higher intensity. For example:

> **Ohio's** Early Start targets families with infants and toddlers with multiple risk factors and seeks to increase parental knowledge of child development, improve parenting skills, help families deal more effectively with stress, and link families to community resources. Home visits are provided based on individualized family service plans. The program has been expanded to serve TANF families in all counties.

Oklahoma's Children First seeks to promote maternal and child health and positive child and family development outcomes. Public health nurses provide home visits to first-time mothers who are low-income or lack social support, from the prenatal stage until children turn age two.

- **Parent support programs for teens.** Several states reported parent education and family support programs specifically for teenagers or other young parents with infants and toddlers. All seek to educate young parents about child health and development and to promote positive parenting; some provide health services, child care (so parents can complete high school), tutoring, and employment training.

California's School-Age Parent and Infant Development Program offers parenting classes, parent-child activities, onsite child care, counseling, and health services to pregnant and parenting teens.

GRADS programs in **Hawaii** and **New Mexico** offer family support, parent education, child health and development services, and child care to pregnant and parenting teens to promote high school graduation and positive parenting.

Families with infants and toddlers are also served by parent education and family support programs open to families with children from birth to age six, some of which have a specific infant and toddler focus. For example, programs based on the Healthy Families America model seek to enroll families while the child is still an infant and continue to provide services through the preschool years. Such programs are described in a separate section below on programs for families with children under age six.

Trends and Challenges

- Thirty-one states funded one or more child development and family support programs for infants and toddlers in fiscal year 2000 (see Map 2.1); 12 states have added programs for infants and toddlers since *Map and Track 1998*.

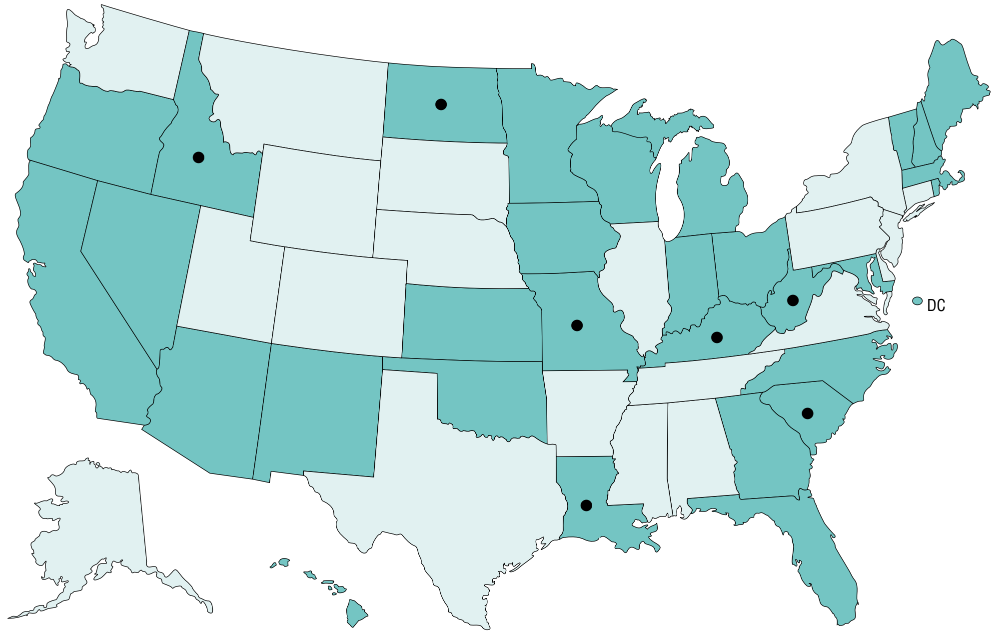
- Of the 12 states that added programs for this age group, seven of them did not previously have programs that *specifically* targeted infants and toddlers—Idaho, Kentucky, Louisiana, Missouri, North Dakota, South Carolina, and West Virginia. (See Map 2.1.)

- Six states supplemented Early Head Start in fiscal year 2000, up from two states reported in *Map and Track 1998*. The four states with new Early Head Start supplements are Kansas, Missouri, North Carolina, and North Dakota. The other two states that supplement Early Head Start are Minnesota and Oklahoma.

- In fiscal year 2000, states spent a total of $226 million on child development and family support programs for infants and toddlers, in comparison to $108 million reported in *Map and Track 1998*—an increase of 109 percent.[2] However, spending for infants and toddlers represented only 8 percent of total child development and family support program spending for children under age six.

Map 2.1

States Funding Child Development and Family Support Programs for Infants and Toddlers*



- States funding programs in fiscal year 2000 that *specifically* target infants and toddlers [31]
- States not funding programs in fiscal year 2000 that *specifically* target infants and toddlers [20]
- ● States that did not report programs for infants and toddlers in *Map and Track 1998* but have since added such programs [7]

States funding:

Programs for infants and toddlers [31]		No programs for infants and toddlers [20]	
Arizona	Minnesota	Alabama	New Jersey
California	Missouri (●)	Alaska	New York
District of Columbia	Nevada	Arkansas	Pennsylvania
Florida	New Hampshire	Colorado	South Dakota
Georgia	New Mexico	Connecticut	Tennessee
Hawaii	North Carolina	Delaware	Texas
Idaho (●)	North Dakota (●)	Illinois	Utah
Indiana	Ohio	Mississippi	Virginia
Iowa	Oklahoma	Montana	Washington
Kansas	Oregon	Nebraska	Wyoming
Kentucky (●)	Rhode Island		
Louisiana (●)	South Carolina (●)		
Maine	Vermont		
Maryland	West Virginia (●)		
Massachusetts	Wisconsin		
Michigan			

* Note that programs serving children under age 6 may include services that focus on infants and toddlers.

As these data show, more states are investing in child development and family support programs for infants and toddlers and their families. States reported the following challenges:

- **Coordination of home visiting services.** Many states now have multiple state programs that serve infants and toddlers, some of which overlap in terms of families targeted and services offered. This is particularly true of programs with a home visiting component. Many state informants reported a need to coordinate home visiting programs so that families do not receive multiple home visitors and duplicative services, but few states have developed formal coordination mechanisms. One exception is Delaware's Parent Education Partnership, which has established a steering committee to coordinate home visiting services throughout the state.

- **Continuity of services over time.** A second coordination challenge is ensuring continuity of services as infants and toddlers reach prekindergarten age. One problem is that many programs for preschoolers serve only or primarily four-year-olds, leaving three-year-olds without access to services. Even when services are available, transitioning children between programs remains a challenge. Few states reported solutions other than informal referral relationships. An exception is Kansas, which, as part of a new Early Head Start initiative, is addressing the issue of continuity by providing grants to Head Start providers to enable them to serve infants and toddlers. The grants will also allow providers to serve three-year-olds who are not being served through federally funded Head Start.

Promoting School Readiness Among Preschoolers

Programmatic Approaches

State-funded programs for preschoolers ages three to six overwhelmingly focus on school readiness, either by supplementing Head Start or by providing state-designed prekindergarten services. Only three states reported programs for this age group that did not fall into one of these two categories. For example:

- **Supplements to the federal Head Start program.** Head Start is a comprehensive child development program that serves low-income children ages three to five and their families. With the overall goal of increasing school readiness, Head Start provides services in the areas of education and early childhood development; physical and mental health; dental care; nutrition; and parent involvement. As is the case with Early Head Start, states typically use Head Start supplements to increase the number of slots, expand part-time programs to full-day and full-year, and improve the quality of services. For example:

    Alaska's Head Start supplement is used to serve additional children.

    Georgia's supplement enables programs to expand their hours.

In the **District of Columbia**, the supplement covers Head Start teacher salaries.

New Hampshire's supplement enhances teachers' pay.

Maryland's supplement can be used for any of the above purposes.

- **Prekindergarten programs.** Most state-funded prekindergarten programs consist of classroom-based half-day programs (usually 2.5 to 3 hours), but what constitutes prekindergarten is extraordinarily variable. Programs vary along several dimensions: eligibility (most rely on income and/or at least one other risk factor), range of services, intensity (half-day versus full-day, one versus two years), availability of transportation, level of state versus local control, program standards and oversight, and program capacity (percentage of eligible children accommodated).[3] Many programs make referrals for physical and mental health as well as dental services; some address nutrition and encourage parent involvement. The most comprehensive programs are those that have adopted or expanded the Head Start model, while others focus more exclusively on educational components. Some states have detailed prekindergarten standards, while others do not; some follow state child care licensing requirements. To the degree that prekindergarten and child care initiatives have similar standards and requirements, they may provide children with similar experiences.

  The most commonly reported funding mechanism for state prekindergarten programs is distributing funds to school districts, which then either provide services directly or subcontract with other providers; some states directly fund nonschool providers in addition to school districts. A handful of states distribute funds to community collaboratives, which then determine how to provide services. States also vary as to whether funds are granted on a formula basis to all qualified entities or whether funds are awarded competitively. And finally, some states provide funding that may be used for any one of a variety of program or service types, with prekindergarten as one choice among many.

  Although the programmatic emphasis is on three- and four-year-olds, and programs occasionally serve five-year-olds, in practice prekindergarten programs overwhelmingly serve four-year-olds because of funding and capacity limitations. For example:

  Georgia's universal prekindergarten program provides full-day (6.5 hours) classroom-based programs to four-year-olds throughout the state.

  Massachusetts' Community Partnerships for Children serves three- and four-year-olds in working families with incomes up to the state median. At least one-third of the slots statewide must provide full-day (6 hours or more), full-year services.

  Michigan's School Readiness Program provides classroom- or home-based services to four-year-olds at risk of school failure. Most programs are half-day (2.5 hours), although a new state initiative provides competitive grants to allow programs to extend their hours to accommodate working parents (a minimum of 10 hours of services).

Programs in **Delaware**, **Ohio**, and **Oregon** are based on the Head Start model and serve low-income children. All providers, whether or not they are Head Start grantees, must meet Head Start performance standards. Program hours vary by state.

Children from ages three to six and their families are also served by other types of programs—such as parent education, family support, and family literacy programs—that are available to families with children from birth to age six. These programs are discussed in a separate section below.

Trends and Challenges

- Forty states funded one or more child development and family support programs for preschoolers in fiscal year 2000. (See Map 2.2.)

- States spent a total of $2.1 billion on child development and family support programs for preschoolers in fiscal year 2000—a 24 percent increase over the $1.7 billion reported in *Map and Track 1998*. The vast majority of these funds—which represented over 75 percent of total child development and family support program spending for children under age six—supported prekindergarten services.

- Forty-three states fund prekindergarten by supplementing Head Start, providing their own prekindergarten programs, or both. Note that this includes nine states that allocate flexible funds that *may* be used to support prekindergarten but may support other services as well; in most of these cases, these flexible funds target children from birth to age six—not just preschoolers. (See Table 2.1.)

- Three states have added prekindergarten programs since *Map and Track 1998*—Kansas, Missouri, and Nevada—and seven states have added Head Start supplements—Georgia, Idaho, Kansas, Maryland, New Mexico, North Dakota, and Texas. With the exception of Georgia, Maryland, and Texas, none of these states previously had programs for preschoolers.

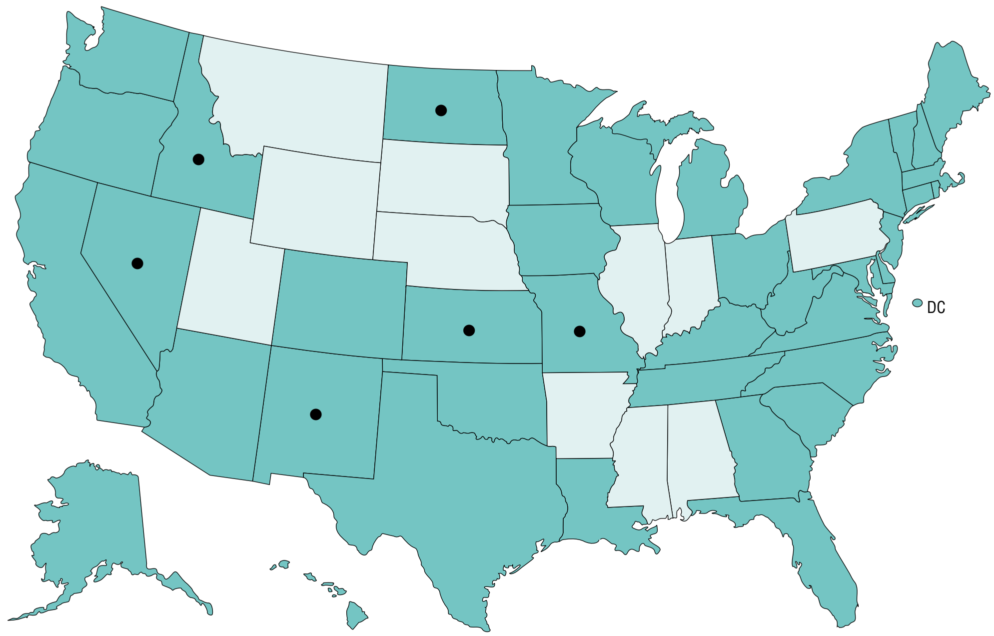
- Since *Map and Track 1998*, Oklahoma has expanded its prekindergarten program to make it universal in most districts. Currently, only four states—the District of Columbia, Georgia, New York, and Oklahoma—have universal prekindergarten programs; New York's program is only partially phased in.

- Only a quarter of states that provide prekindergarten funding reported that they require grantees to submit a transition plan, i.e., a plan to prepare children for the transition to kindergarten. Most states reported that they encourage providers to have such a plan.

- Thirty-eight states require school districts to provide half-day kindergarten, and nine states require full-day kindergarten; four states do not require districts to provide kindergarten.

Map 2.2

States Funding Child Development and Family Support Programs for Preschoolers*



- States funding programs in fiscal year 2000 that *specifically* target preschoolers [40]
- States not funding programs in fiscal year 2000 that *specifically* target preschoolers [11]
- ● States that did not report programs for preschoolers in *Map and Track 1998* but have since added such programs [6]

States funding:			
Programs for preschoolers [40]		**No programs for preschoolers [11]**	
Alaska	Missouri (●)	Alabama	Nebraska
Arizona	Nevada (●)	Arkansas	Pennsylvania
California	New Hampshire	Illinois	South Dakota
Colorado	New Jersey	Indiana	Utah
Connecticut	New Mexico (●)	Mississippi	Wyoming
Delaware	New York	Montana	
District of Columbia	North Carolina		
Florida	North Dakota (●)		
Georgia	Ohio		
Hawaii	Oklahoma		
Idaho (●)	Oregon		
Iowa	Rhode Island		
Kansas (●)	South Carolina		
Kentucky	Tennessee		
Louisiana	Texas		
Maine	Vermont		
Maryland	Virginia		
Massachusetts	Washington		
Michigan	West Virginia		
Minnesota	Wisconsin		

* Note that programs serving children under age 6 may include services that focus on preschoolers.

Table 2.1

States Funding Prekindergarten Through State Programs and Head Start Supplements, Fiscal Year 2000

State program and Head Start supplement [18]	State program only [21]	Head Start supplement only [4]	Funds no prekindergarten [8]
Connecticut	Arizona*	Alaska	Alabama
District of Columbia	Arkansas*	Idaho	Indiana
Georgia	California	New Hampshire	Mississippi
Hawaii	Colorado	North Dakota	Montana
Kansas	Delaware		Pennsylvania**
Maine	Florida		South Dakota
Maryland	Illinois*		Utah
Massachusetts	Iowa		Wyoming
Minnesota*	Kentucky		
New Jersey*	Louisiana		
New Mexico*	Michigan		
North Carolina*	Missouri		
Ohio	Nebraska*		
Oklahoma	Nevada		
Rhode Island*	New York		
Texas	Oregon		
Washington	South Carolina		
Wisconsin	Tennessee		
	Vermont		
	Virginia		
	West Virginia		

* State allocates funds to localities that may be used for prekindergarten but that may also be used for other services for young children.

** Pennsylvania allows school districts to use aid provided for grades K–12 to serve 4-year-olds in kindergarten programs.

In sum, the majority of states fund some sort of prekindergarten effort by supplementing Head Start, offering a separate state-funded program, and/or providing funds that may be used for prekindergarten but also for other purposes. However, attention to the transition to kindergarten is limited.

States reported the following challenges in providing prekindergarten services:

- **Tension between universal eligibility as a goal and the reality of limited access.** More policymakers are endorsing universal prekindergarten as a policy goal. However, only four prekindergarten programs in the country are attempting to implement universal eligibility, although a number of states have expanded access, and many states have expressed a desire to do so. Regardless of intent, only an estimated 10 percent of three- and four-year-olds across the country are currently being served by state-funded prekindergarten programs.[4] This is true despite tremendous growth in prekindergarten programs in recent years and despite the fact that prekindergarten spending accounts for the overwhelming majority of total state investments in child development and family support programming for children under age six.

- **Expanding program hours to accommodate working parents.** With the majority of preschoolers' parents in the workforce, there is mounting pressure on states to expand program hours. States are funding full-day (i.e., a 6-hour school day) and extended-day (i.e., a 10-hour working day) services in three major ways: through the prekindergarten initiative itself (e.g., in Georgia), through a separate pool of funds dedicated to expanding hours of program operation (e.g., in Michigan and Texas), and through collaboration among prekindergarten, Head Start, and child care programs (e.g., in Washington). Most collaborations between child care and prekindergarten and/or Head Start programs have occurred at the local rather than the state level or through the activities of federally funded Head Start-State Collaboration Offices. However, one state—Connecticut—blends prekindergarten with child care through a single state-level initiative to provide extended-day services.

These challenges reflect some of the competing priorities within prekindergarten programs. Respondents also reported that prekindergarten competes with other programs for resources and political attention. They pointed to:

- **Competition between prekindergarten and subsidized child care.** Informants in a number of states mentioned that expanding access to prekindergarten competes with improving access to and the quality of subsidized child care. Welfare reform and increased employment rates among mothers of young children have increased pressure on child care subsidy systems. And in some states, child care has been given priority because of concerns about improving the quality of care for all young children, especially infants and toddlers.

- **Competition between prekindergarten and primary education.** Informants in several states that are working to implement full-day kindergarten mentioned that such efforts are in competition with efforts to expand prekindergarten. A couple of states grappling with financial crises in elementary education have put prekindergarten and other early childhood initiatives on hold. Further, funding mechanisms in a small number of states have resulted in direct competition for funds between early childhood programs and elementary schools.

A final challenge focuses on preparing children for school:

- **The transition to school.** The majority of respondents who provided information about state prekindergarten programs expressed concerns about school readiness and preparing children for the transition to kindergarten, which in almost all states marks the beginning of public education. However, most state-funded prekindergarten programs do not require transition efforts among providers. Beyond issues of transition, a handful of states reported a lack of continuity of services—children who are in full-day prekindergarten programs do not have access to full-day services once they reach kindergarten.

Providing Parent Education and Family Support to Families with Young Children

Programmatic Approaches

States are funding four major types of child development and family support programs that target families with children from birth to age six (some target children up to age eight), most of which are family-centered. Such programs focus on a range of outcomes for parents, children, and families as a whole, such as promoting positive parenting, supporting parental employment, promoting children's school readiness, improving family literacy, and increasing access to services. The categories described below represent general approaches; many programs do not fit neatly in a single category.

- **Family resource centers.** Family resource centers are usually neighborhood-based, are sometimes located in or near schools, and generally offer some combination of the following: parent education; child development screening, assessment, and/or programming; child care; health services; family literacy programs; and referrals to other programs and resources. Although many target families with young children—sometimes up to age six or eight—others also serve families with older children and do not necessarily have a specific focus on young children. In most states, all families in the community or school district where centers are located are eligible for services; many centers are located in predominantly low-income and higher risk areas. Some family resource centers are connected to other programs, for example, providing center-based services in conjunction with family support home visiting programs. For example:

  > **West Virginia's** Starting Points Family Resource Centers offer comprehensive child development, parent education, health, nutrition, and family support services to families with young children in schools or other neighborhood locations, beginning prenatally. Centers can serve children up to age eight.

- **Family support home visiting programs.** These programs typically offer home visits and referrals to community resources to families considered at risk of poor child outcomes. They generally seek to promote positive parenting and parent-child interaction, strengthen family functioning, and prevent child abuse and neglect. Although family support home visiting programs vary in the intensity of services provided, they generally begin with an initial assessment and offer services on an ongoing basis in accordance with family need. The Healthy Families America model is an example of this program type. Most Healthy Families programs target families with children from birth to age five, but because the model emphasizes prevention, many seek to identify families when the child is still an infant. Some states that report no specific programs for infants and toddlers serve them through programs such as these. For example:

  > **Hawaii's** Healthy Start Family Support Program, from which Healthy Families America is derived, offers home-based intervention for families with young children to enhance parent functioning, promote child development, and prevent child abuse and neglect among at-risk families.

- **School-linked parent education and involvement programs.** These programs seek to connect parents with the school system before their children are old enough to attend, as well as to assist parents with the challenges of parenting. Services may include parent groups and other parent education activities, parent-child activities, child care, and referrals to other programs. Although many of these programs target families with children up to age five, some focus on families with infants and toddlers. Most of these programs are open to all families who reside within the school district in which the program is located; many are located in higher-risk communities. Parents as Teachers is an example of this program type; there are many state-designed versions as well. For example:

> **Missouri's** Parents as Teachers offers home visits, parent education, developmental screenings for children, and referrals to needed services to all families with children from birth to age five. All school districts are required to provide the program. Specialized approaches have been developed to serve high-needs families.

- **Block grants or flexible funds to support early childhood programming.** Since *Map and Track 1996*, an increasing number of states have created flexible pools of funds to support local early childhood programs. The range of services that communities can choose to provide with these flexible funds varies widely. Some funds target children up to age five and are earmarked for prekindergarten, parent education, or family support programs, while others target children up to age eight and can be used to support full-day kindergarten or before- and after-school care. Two states, Arizona and Illinois, now "block grant" funds that previously supported separate early childhood programs. Flexible funding streams for early childhood also vary by the degree of state oversight and control. For example:

> **Illinois'** Early Childhood Block Grant, implemented in 1998, combines funding for three previously separate early childhood programs: prekindergarten, the Model Parent Training Program, and the Prevention Initiative. Eight percent of the funds must go to programs that serve children from birth to age three, and proposals must demonstrate a link among the three programs. The majority of the funds reportedly support prekindergarten.

Trends and Challenges

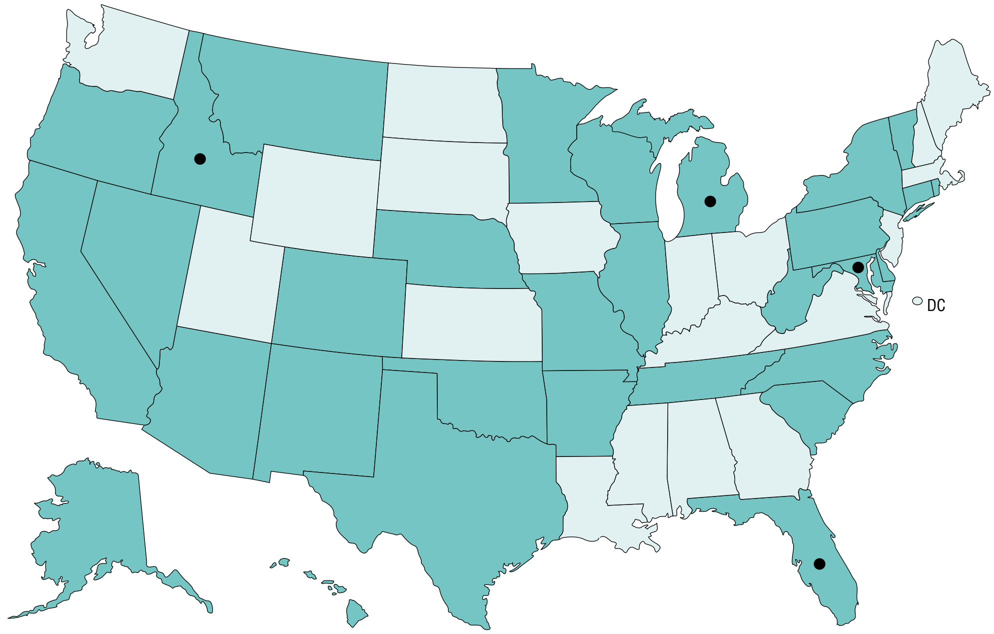
- Thirty-one states funded one or more programs that target children under age six and their families in fiscal year 2000 (see Map 2.3); six states have added programs for this age group since *Map and Track 1998*.

- Of those states that added programs for children under age six, four did not previously have programs for this age group—Florida, Idaho, Maryland, and Michigan. (See Map 2.3.)

- In fiscal year 2000, states spent a total of $406 million on child development and family support programs for children under age six and their families, in comparison to $122 million reported in *Map and Track 1998*. Much of the increase is due to Illinois' decision to block grant early childhood funds, thus shifting its spending from the infant/toddler and preschooler categories to the birth-to-age-six category. Not including Illinois' $170 million block grant, overall state spending for programs for children up to age six increased by about 93 percent.

Map 2.3

States Funding Child Development and Family Support Programs for Children Under Age Six



States funding programs in fiscal year 2000 for children under age 6 [31]

States not funding programs in fiscal year 2000 for children under age 6 [20]

● States that did not report programs for children under age 6 in *Map and Track 1998* but have since added such programs [4]

States funding:			
Programs for children under age 6 [31]		**No programs for children under age 6 [20]**	
Alaska	Nebraska	Alabama	New Jersey
Arizona	Nevada	District of Columbia	North Dakota
Arkansas	New Mexico	Georgia	Ohio
California	New York	Indiana	South Dakota
Colorado	North Carolina	Iowa	Utah
Connecticut	Oklahoma	Kansas	Virginia
Delaware	Oregon	Kentucky	Washington
Florida (●)	Pennsylvania	Louisiana	Wyoming
Hawaii	Rhode Island	Maine	
Idaho (●)	South Carolina	Massachusetts	
Illinois	Tennessee	Mississippi	
Maryland (●)	Texas	New Hampshire	
Michigan (●)	Vermont		
Minnesota	West Virginia		
Missouri	Wisconsin		
Montana			

The challenges state respondents voiced about programs for children under age six were more varied than the challenges described for the other two groups of programs. However, three issues surfaced repeatedly:

- **Coordination of services across programs.** Some states now have multiple programs providing similar family support services, some targeting families with children from birth to age six and others focusing on infants and toddlers. Respondents expressed concerns about service duplication and families contending with multiple home visitors.

- **The need for targeted services versus the goal of universality.** Most state-funded family support programs serve all families in the community but end up serving low-income and at-risk families because of where they are located. Some state respondents expressed a desire to be able to provide family support services to all families, regardless of income or risk. But the desire is tempered by the reality that in most states, there is insufficient political support to achieve this goal. Given limited resources, state administrators typically choose to provide services to families in greatest need. Minnesota's Early Childhood Family Education program has addressed this challenge by providing universal parent education and family support services, supplemented by targeted and more intensive services to families in greatest need.

- **Balancing community flexibility with ensuring consistent programming.** The most common rationale for flexible funding streams is that they allow localities to tailor services to local need. But some state respondents expressed concerns about the unevenness of services that may result, suggesting that the best solution is to balance community flexibility with state standards and oversight.

State Approaches to Developing Early Childhood Systems

As states strive to help parents meet the dual demands of work and parenting and to promote state and national goals of ensuring that young children enter school ready to succeed, they are increasingly attending to early childhood systems development—that is, developing the infrastructure, resources, and leadership necessary to create a coordinated system of services and supports to address the many needs of young children and their families.

In comparison to *Map and Track 1998*, many more states reported initiatives aimed at addressing early childhood issues at a systems level rather than at the level of specific programs or services. Although these efforts are varied, all aim to improve the services and service delivery systems for young children and typically involve one or more of the following:

- Developing, expanding, and improving the quality of programs and services for young children and families;

- Creating or enhancing the infrastructure and other mechanisms necessary to provide for cross-system collaboration and service integration at the state level;
- Linking state- and local-level planning and initiatives;
- Developing and sustaining leadership for planning, decision making, and mobilizing resources on behalf of young children and families;
- Identifying and tracking outcomes related to young child and family well-being; and
- Educating, engaging, and mobilizing the public around early childhood issues.

The early childhood systems development efforts reported in this edition of *Map and Track* range from large-scale initiatives with most of these components to small-scale efforts that are narrowly focused or have few or no dedicated state resources. In addition, some states are developing multi-age approaches that focus on children of all ages but may include attention to young children.

Comprehensive Systems Development Initiatives

Four states—California, Kentucky, North Carolina, and South Carolina—are implementing comprehensive initiatives, marked by large-scale, well-funded statewide approaches to addressing multiple aspects of early childhood systems development simultaneously. North Carolina's initiative began in 1993; the others have emerged since 1998.

Comprehensive initiatives are often championed by governors but also require strong legislative support and the involvement of high-level administrators. The majority embody most or all of the aspects of systems development highlighted above, with a special focus on promoting partnerships (among states and localities, across the public and private sectors, and within different service sectors) as the vehicle to expand child development and family support services and to make them more responsive to family needs. Comprehensive initiatives typically require assessment of whether the broad goals guiding the initiative—such as improving the health, development, safety, and school readiness of young children—are actually being achieved. Some also explicitly provide for technical assistance efforts to help local communities achieve these results. For example:

> In 1998, **California**, as a result of a statewide referendum known as Proposition 10, passed the California Children and Families Act. The goal of the initiative is to develop integrated and collaborative early childhood development programs and family services. The initiative creates the California Children and Families Commission to provide statewide leadership, fund research projects and model programs, support a public education campaign, and work with county-level commissions. Funding for the initiative, raised from tobacco taxes, totaled about $690 million in fiscal year 2000; 80 percent of the funds go to the county commissions to meet locally identified needs.
>
> **Kentucky's** Governor's Early Childhood Initiative, passed in the spring of 2000, allocates 25 percent of the state's Phase I tobacco settlement funds—expected to total

about $56 million over two years—to address the health, safety, school readiness, and general well-being of the state's young children, with a focus on infants and toddlers. In addition to supporting a variety of maternal and child health, family support, and early care and education services, the initiative creates an Early Childhood Development Authority to oversee the initiative and to allocate funds to local community councils. A Business Council made up of business and community leaders promotes the involvement of local businesses and governments in early childhood efforts, and a Professional Development Council works to create an education and training system for early care and education providers.

North Carolina's Smart Start initiative, begun in 1993, is a public/private initiative focused on helping children to enter school healthy and ready to succeed. Growing from an initial state investment of $68 million to $219 million in fiscal year 2000, the initiative has now been implemented in every county. The bulk of the funds support early care and education, but some funds are used for child health and family support services. The initiative is administered by the North Carolina Partnership for Children, a public/private organization that provides state-level leadership and technical assistance to the counties and sets statewide benchmarks for young children and families.

South Carolina enacted First Steps to School Readiness to help ensure that all children arrive at first grade healthy and ready to succeed. Modeled directly after North Carolina's Smart Start, this state-level public/private partnership is charged with creating local partnerships to assess local needs and engage in strategic planning to address lifelong learning, early education, quality child care, health care, and transportation. The initiative was funded at $20 million in fiscal year 2000, with an increase to $30 million in fiscal year 2001.

Incremental Approaches to Early Childhood Systems Building

A second pathway to building well-developed early childhood systems involves incremental steps. Some states that started by developing an array of child development and family support programs are now turning their attention to larger systems development issues, such as planning, cross-system collaboration and service coordination, and developing goals and outcome measures. Other states are undertaking more gradual efforts to link program development with systems building, often focusing on a specific age group (e.g., infants/toddlers, preschoolers) or a subset of early childhood services. For example:

Massachusetts invests in an array of child development and family support programs for infants and toddlers—spending about $26 million—as well as for preschoolers—spending $100 million. Community Partnerships for Children, the state's prekindergarten program, is now available to three- and four-year-olds from working families with incomes up to the state median. Services are delivered through broad-based local collaboratives. Most recently, the state has developed an Infant Toddler Summit to assess current services for infants and toddlers, address service gaps and duplication, and plan for a comprehensive service delivery system. The project operates out of the State Executive Office of Health and Human Services and includes a broad range of partners, including multiple state agencies, community providers, universities, foundations, and advocacy organizations.

Minnesota's child development and family support programs include Early Childhood Family Education, which offers a variety of services and events for parents, children, and families on a universal basis; prekindergarten services through School Readiness and a supplement to Head Start; and Early Childhood Health and Developmental Screening, which screens all children prior to public school entry. Program spending totaled about $53 million in fiscal year 2000. Last year, the state legislature directed the Department of Children, Families, and Learning to develop a plan to improve and integrate existing early care and education services to promote school readiness—children's physical, social, cognitive, and emotional readiness, as well as schools' readiness for children. The department's efforts have involved input from early childhood teachers, service providers, and administrators, and policymakers and parents.

Vermont provides child development and family support services to infants, toddlers, and their families through a network of parent-child centers. Vermont has a preschool program and has used its Success by Six program as a vehicle for communities to design comprehensive services to ensure that all young children are ready for school. The state-level Early Childhood Steering Committee brings together representatives from various state agencies, early childhood programs, community networks and agencies, child care providers, and parent groups to engage in strategic planning and to promote regional planning and evaluation. The steering committee has been instrumental in developing a shared vision for the state's young children. Vermont has developed statewide benchmarks, and regularly provides data to each region on how it is doing.

West Virginia has developed a network of Starting Points Family Resource Centers across the state that serve as a focal point for the delivery of a range of services for young children and their families. The state has a prekindergarten program and has recently implemented a parent education initiative for families with infants and toddlers. For fiscal year 2001, the legislature allocated $1 million to pilot Educare, an initiative that will distribute funds to community collaboratives to increase the quality and supply of services for families with young children to ensure that children enter school ready to learn. The Governor's Early Childhood Implementation Commission, which in turn is linked to the Governor's Cabinet on Children and Families, has been the impetus behind the state's coordinated early childhood efforts. Coupled with the strategic use of emerging opportunities and strong leadership, the efforts of the commission and the cabinet have resulted in a steady growth in the state's commitment to and investment in young children.

Limited Collaboration as a Step Toward Early Childhood Systems Building

A third category of early childhood systems building includes more limited approaches. These are characteristic of states that have not invested significant resources in programs and services for young children. (Five states—Alabama, Mississippi, South Dakota, Utah, and Wyoming—funded no child development or family support programs in fiscal year 2000). Limited approaches are often spearheaded by mid-level state administrators, advocates, or service providers to generate support for an early childhood agenda. Some involve the creation of state-level interagency offices, while others involve mobilizing multiple stakeholders to engage in strategic planning. Some limited approaches reflect the failure of a broader strategy. For example, Alabama and Mississippi both reported the creation of new state-level offices to promote school readiness after failed attempts to fund prekindergarten efforts. These more limited approaches have the potential to function as stepping stones to broader efforts on behalf of young children and families, but, as with some limited approaches reported in earlier editions of *Map and Track*, they may also falter due to a lack of legislative or gubernatorial support. For example:

> **Alabama's** governor created the Department of Children's Affairs in 1999 with private grant funding. Then, in May 2000, the Office of School Readiness (based on Georgia's office with the same name) was established, despite the defeat of legislation to implement a statewide lottery to fund prekindergarten. The aim of the office is to encourage public/private partnerships to promote investments in young children.
>
> **North Dakota's** Children's Services Coordinating Committee, whose members include representatives from the governor's office and relevant state agencies, is promoting a five-year comprehensive early care and education plan that was drafted at the North Dakota Early Care and Education Summit, held in fall 2000. The resulting document will be used to inform community leaders and state legislators about priority concerns facing North Dakota's families. In fiscal year 2000, for the first time, North Dakota invested $520,000 in two new programmatic efforts for young children.

Multi-Age Approaches to Systems Development

Unlike the early childhood systems development efforts just discussed, multi-age approaches do not focus explicitly on young children; rather, the general aim is to improve service delivery and outcomes for all children and families. However, in some states, localities choose the focus of their efforts, and some may focus on young children. In other states, the state itself calls for special attention to young children in the context of a broader initiative. For example:

> **Michigan's** 1995 systems reform initiative, Putting It Together with Michigan Families (PIT), led directors of human services agencies in all counties to form Multi-Purpose Collaborative Bodies with other stakeholders to devise new ways to improve outcomes for children and families. Most have a work group focused on early childhood service planning and development. At the state level, an interagency group called the PIT Crew has been formed to work across systems, share information, coordinate efforts, collaborate on common goals, and recommend policy and practice strategies. This group—which includes directors from human services, education, health, and mental health agencies as well as representatives of individual programs—meets regularly and has begun to develop a shared vision for early childhood services and supports.
>
> **Oregon's** State Commission on Children and Families sets guidelines for the planning, coordination, and delivery of services by local county commissions, with the goal of fostering interagency collaboration among programs for children from birth to age 18 and their families. The commission provides counties with training, technical support, and staff funds, while local commissions facilitate the development of a local Coordinated Community Plan, which includes an early childhood plan for children prenatally to age eight. Localities have wide discretion in implementation, but they must address outcomes of school readiness, immunizations, and infant and toddler development. All but 8 percent of the $37 million commission budget in fiscal year 2000 was released to counties, including a $4 million early childhood grant stream entitled Great Start.

Trends and Challenges

- Thirty states report some level of early childhood systems-building efforts. Although not all of these efforts focus exclusively on young children, this nonetheless represents a substantial increase over the 16 states that reported such systems-level initiatives in *Map and Track 1998.*

- Three states—California, Kentucky, and South Carolina—have implemented new comprehensive early childhood initiatives that address multiple aspects of early childhood systems development simultaneously. North Carolina has continued to increase funding for its Smart Start initiative.

- Nine states—Colorado, Connecticut, Delaware, Florida, Massachusetts, Minnesota, Rhode Island, Vermont, and West Virginia—report the implementation of incremental but nonetheless substantial strategies to link programs or services, sometimes for a specific age group, with infrastructure and planning efforts.

- Fifteen states report limited efforts to promote infrastructure development and state-level attention to the needs of young children, and another 12 report multi-age approaches, some of which include attention to young children and families.

Many state informants noted that sustained leadership—whether from the governor or from high-level or mid-level administrators—is key to effective systems-building. Strong leadership has been central to efforts in many states that have steadily increased their investments in young children and families since the first edition of *Map and Track*. State informants also noted several areas of concern:

- **Gubernatorial initiatives face particular threats when there is a transition in government.** Promoting better outcomes for young children is not a partisan issue, but initiatives identified with a particular governor—especially named initiatives—may be challenging to sustain under a change of administration. This may be true even if the transition is within the same party, particularly if a new governor wants to lay claim to a different issue.

- **Systems-building efforts are likely to do little without funded services.** Some states have adopted strategies designed to promote early care and education efforts through collaboration. But without state funding for services—either through the systems development initiative itself or through individual programs—collaborative efforts may do little to alter the well-being of children and families, although they may serve as a catalyst for more action.

- **Convincing legislators to support investments in early childhood is challenging.** Many respondents reported having to work hard to convince state legislators to support initiatives for young children. Some lamented not having adequate data to demonstrate the worthiness of proposed programs or initiatives. Others mentioned the temptation to "oversell" an effort, only to experience funding cuts because an initiative did not measure up to initial expectations. Term limits complicate the issue, because state administrators and advocates must educate new legislators about the importance of investing in early childhood. All legislators—whether concerned about reelection or aspirations for higher office—may be hesitant to support programs that require significant investments but cannot demonstrate results in the short term.

Overall Funding Trends

When state spending for child development and family support programs in fiscal year 2000 is combined with state spending for early childhood systems development, two points are clear: (1) overall state spending has increased substantially over the levels reported in *Map and Track 1998*, and (2) although most states increased funding, the gains have been uneven.

- **Total state spending for child development and family support efforts has increased by almost 90 percent since *Map and Track 1998*.** States invested a total of over $3.7 billion in child development and family support programs and early childhood systems development efforts in fiscal year 2000, an increase of about 87 percent. New initiatives in California and increased funding for North Carolina's Smart Start account for much of this increase. Program funding alone increased 43 percent.

- **Thirty-three states reported overall funding increases of 10 percent or more.** But five states reported increases of less than 10 percent in child development and family support spending since *Map and Track 1998*, 10 states had no change in funding levels, and two states—Alabama and Nevada—reported overall decreases in spending.[5]

- **The overall increase in state funding is substantial when considered on a per capita basis but varies widely from state to state.** A comparison of states' total investments in child development and family support with the number of children from birth to age six in each state shows that state spending per child under age six increased from approximately $84 to $157 since *Map and Track 1998*. But this figure varied greatly, depending on the state. While six states—California, the District of Columbia, Georgia, Massachusetts, North Carolina, and Oklahoma—spent more than $200 per child under age six in fiscal year 2000,[6] 14 states—Alabama, Idaho, Louisiana, Mississippi, Montana, Nebraska, Nevada, New Hampshire, North Dakota, Pennsylvania, South Dakota, Tennessee, Utah, and Wyoming—spent $20 or less. (See Table 2.2.)

- **Most of the large increases in spending have come from sources other than state general revenues.** Many of the most significant spending gains for young children reported in *Map and Track 2000* were financed by federal TANF funds; tobacco settlement funds; or funds raised through lotteries, gambling fees, cigarette taxes, or other dedicated funds—not state general revenues.

Table 2.2

Per Capita State Spending on Child Development and Family Support Efforts, Fiscal Year 2000

Dollars spent per child under age 6				
More than $200* [6]	**Between $100 and $200 [14]**	**Between $20 and $100** [16]**	**Between $0 and $20 [9]**	**No funds [5]**
California	Alaska	Arizona	Idaho	Alabama
District of Columbia	Connecticut	Arkansas	Louisiana	Mississippi
Georgia	Delaware	Colorado	Montana	South Dakota
Massachusetts	Florida	Hawaii	Nebraska	Utah
North Carolina	Illinois	Indiana	Nevada	Wyoming
Oklahoma	Kentucky	Iowa	New Hampshire	
	Minnesota	Kansas	North Dakota	
	Missouri	Maine	Pennsylvania	
	Ohio	Maryland	Tennessee	
	Oregon	Michigan		
	Rhode Island	New Mexico		
	South Carolina	New York		
	Texas	Vermont		
	Wisconsin	Virginia		
		Washington		
		West Virginia		

* Although New Jersey's spending fell above $200 per child under age 6, it is not included because the state's funding figures include a substantial amount of kindergarten spending.

** No state in this category spent less than $40 per child under age 6.

Endnotes

1. See Chapter 1 for a discussion of the inclusion and exclusion criteria for programs.

2. These figures do not include spending for programs that target children up to age six that may have a specific focus on infants and toddlers.

3. For more in-depth information about state-funded prekindergarten programs, see: Schulman, K.; Blank, H; & Ewen, D. (1999). *Seeds of success: State prekindergarten initiatives, 1998–1999.* Washington, DC: Children's Defense Fund.

Ripple, C. H.; Gilliam, W.; Chanana, N.; & Zigler, E. (1999). Will 50 cooks spoil the broth? The debate over entrusting Head Start to the states. *American Psychologist,* 54(5), 327–343.

4. NCCP estimated this figure by adding the number of children served by *state*-funded prekindergarten programs reported by the states and the number of children served by Head Start supplements as reported by Schulman, Blank, and Ewen (1999) (see endnote 3); we then divided this figure by the number of three- and four-year olds in the country, which we estimated from the March Current Population Survey, U.S. Census Bureau and Bureau of Labor Statistics. Note that the estimate does not include federally or locally funded prekindergarten programs.

5. Alabama reported a pilot preschool program in *Map and Track 1998* which has been discontinued. The District of Columbia is not included in these figures, since it was not included in *Map and Track 1998*.

6. Although New Jersey's per capita spending was above $200, it is not included here because its funding figures include some kindergarten spending.

Chapter 3

State Policy Efforts to Promote Family Economic Security

The economic well-being of a young child's family has critical implications for child development. However, parental employment may not be sufficient to meet a family's basic needs. Even full-time employment may not keep a family out of poverty: at the federal minimum wage, a person working 40 hours a week, 52 weeks a year, makes only $10,712—only 76 percent of the federal poverty level for a family of three.[1] In the absence of higher paying jobs, additional strategies are needed to promote family economic security. State policymakers can assist low-income families through two general approaches: taking advantage of the opportunities provided by federal programs and initiating state-designed supports, often using federal policies as a model. Over the last five years, state discretion over the implementation of federal benefit programs has expanded considerably, increasing the significance of state policy choices.

This report explores two ways in which states can promote family economic security:

- **Efforts to enhance family income.** The report examines state income tax policies that allow low-income families to keep larger portions of their earnings and that supplement wages (e.g., through refundable tax credits), state minimum wage laws that raise the minimum wage above the federal level, and state choices regarding benefit levels for the federal Temporary Assistance to Needy Families (TANF) program.

- **Efforts to provide basic supports, including child care assistance, health insurance, and food and nutrition benefits.** The report examines state policy choices about the implementation of the federal Child Care and Development Fund; Medicaid and the Children's Health Insurance Program; food stamps; and the Special Supplemental Nutrition Program for Women, Infants, and Children.

The state policy data presented in this chapter are drawn from secondary sources—published reports as well as unpublished data provided by federal agencies and policy research organizations. The indicators selected represent the best information for characterizing these policies for all 50 states and the District of Columbia (referred to as a state for simplicity), based on available data. The data do not reflect all state policy efforts to promote family economic security; one major exclusion is housing supports. The data reflect the most up-to-date information available at the time the report was compiled. Since the dates of data collection range from 1998 to 2000, recent policy changes may not be reflected. Dates of data collection and data sources are noted in endnotes throughout the chapter. In addition, the Reader's Guide to the State Profiles describes the indicators and provides information about data sources and dates of data collection.

State Efforts to Enhance Family Income

Despite unprecedented prosperity in the 1990s, nearly one in five children under age six lived in poverty in 1999. Nearly 40 percent of young children lived in families with incomes below 200 percent of the federal poverty level.[2] Part of the problem is low wages. Between 1994 and 1998, 8 percent of young children with at least one parent working full-time remained in poverty and 31 percent remained below 200 percent of the poverty level.[3]

State Income Tax, Minimum Wage, and TANF Policies

In recent years, many states have begun to examine how their income tax policies affect low-income families. As a result, some states have sought actively to reduce tax burdens; for example, some states that used to require families living below the poverty level to pay taxes no longer do so. But some states have gone a step further by using state income tax policies to *supplement* family incomes. The primary mechanism for doing this is refundable tax credits, which offset family tax burdens and function as a wage supplement for families whose credits exceed their tax liability. Nonrefundable credits also offset the tax burden for some families, but they provide no benefits to families whose incomes are too low to owe state taxes.

Nine states do not tax personal income. Although this may reduce the tax burden for low-income families, it leaves states without a mechanism to provide refundable credits. In addition, states without income taxes may rely more heavily on regressive taxes, such as sales taxes, which consume a disproportionate share of low-income families' resources.[4]

For states that tax personal income, this report examines:

- **Level of tax threshold.** The state tax threshold is the income level at which a family begins to owe state income tax.

- **Refundable earned income credits.** State earned income credits are modeled on the federal Earned Income Tax Credit (EITC). By definition, these are available only to families with earnings. Unlike nonrefundable credits, refundable earned income credits provide benefits even if a family has no tax liability. In general, state credits follow federal eligibility rules and are expressed as a percentage of the federal EITC.

- **Refundable dependent care credits.** State dependent care credits are modeled on the federal Child and Dependent Care Tax Credit (CADC), although often with additional eligibility limits. The federal CADC is nonrefundable, but some states offer refundable dependent care tax credits.

This report also examines state minimum wage levels and the generosity of TANF benefits.

- **Level of state minimum wage.** The federal minimum wage of $5.15 per hour has not kept pace with inflation; its real value is 21 percent lower today than it was in 1979. In addition, the purchasing power of the federal minimum wage varies across the states because of differences in the cost of living. For families that rely on minimum wage employment, setting a state minimum wage that exceeds the federal level will provide higher earnings. Research on the federal minimum wage suggests that due to so-called spillover effects, workers earning wages slightly above the new minimum will also benefit from minimum wage increases.[5]

- **Generosity of TANF Benefits.** In 1996, the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) created TANF, which provides block grants to the states to design work-focused, time-limited cash assistance programs. One of the critical decisions states make in implementing TANF is determining the generosity of benefits provided to recipients.

Findings*

- Among the 42 states with income taxes, the threshold varies widely. For a single-parent family of three, it ranges from $4,600 in Alabama to $33,700 in California.[6, 7] The 2000 federal poverty level for a family of three is $14,150.

- In 22 states, a single-parent family of three living below the poverty level is exempt from paying state income tax. Twenty states tax such families. Four states—Alabama, Illinois, Kentucky, and Virginia—tax families below 50 percent of the federal poverty level. Nine states do not tax personal income. (See Map 3.1.)[8]

- Ten states offer refundable earned income credits, ranging from 10 to 34 percent of the federal credit.[9, 10] Eight states offer refundable dependent care tax credits, with maximum benefits for a family with two or more dependents ranging from $288 to $1,400.[11] Only three states offer both types of credits, and 36 states do not offer either. (See Map 3.1.)

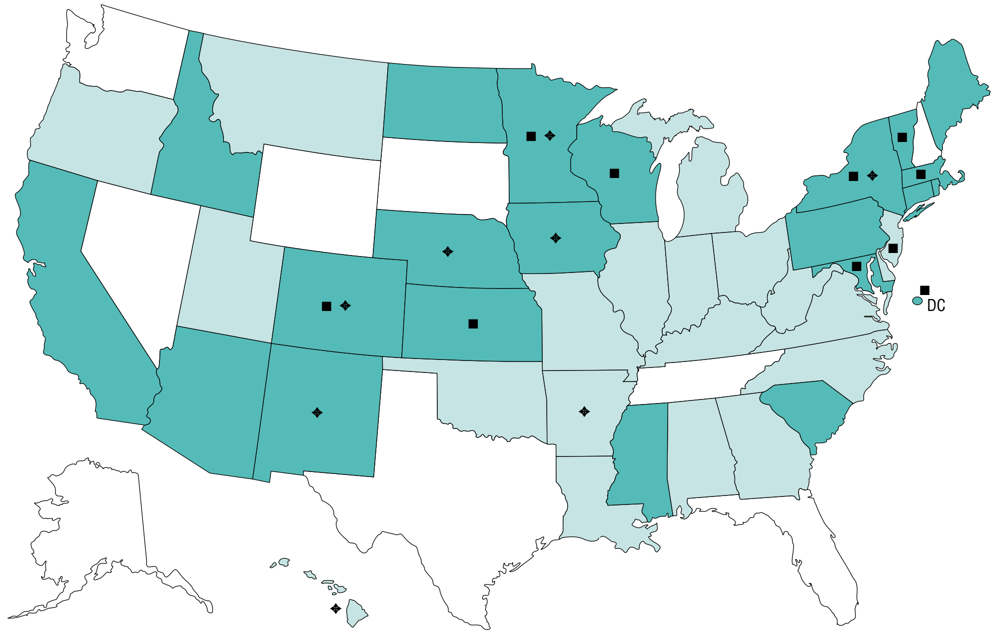
- Eleven states have a minimum hourly wage that exceeds the federal minimum, ranging from $5.25 to $6.50 per hour.[12] Even the highest minimum wage, however, is not enough to provide full-time earnings that bring a family of three with one wage earner above the poverty level without refundable earned income credits or other wage supplements.

- Maximum TANF benefits for a single-parent family of three with no earnings range from $1,968 a year in Alabama to $8,076 in Wisconsin and $11,076 in Alaska. As a percentage of state median income, maximum TANF benefits for a single-parent

* See endnotes for dates of data collection and data sources. See Appendix C, Tables 1 and 2, for data across all the states, as well as the individual state profiles.

Map 3.1

State Income Tax Thresholds and Refundable Tax Credits



- ☐ State does not tax personal income [9]
- ☐ State's income tax threshold is below the federal poverty level for a family of three [20]
- ☐ State's income tax threshold is above the federal poverty level for a family of three [22]
- ■ State offers a refundable earned income credit [10]
- ✦ State offers a refundable dependent care credit [8]

No state personal income tax [9]	State income tax threshold below poverty level [20]	State income tax threshold above poverty level [22]
Alaska	Alabama	Arizona
Florida	Arkansas (✦)	California
Nevada	Delaware	Colorado (■ ✦)
New Hampshire	Georgia	Connecticut
South Dakota	Hawaii (✦)	District of Columbia (■)
Tennessee	Illinois	Idaho
Texas	Indiana	Iowa (✦)
Washington	Kentucky	Kansas (■)
Wyoming	Louisiana	Maine
	Michigan	Maryland (■)
	Missouri	Massachusetts (■)
	Montana	Minnesota (■ ✦)
	New Jersey (■)	Mississippi
	North Carolina	Nebraska (✦)
	Ohio	New Mexico (✦)
	Oklahoma	New York (■ ✦)
	Oregon	North Dakota
	Utah	Pennsylvania
	Virginia	Rhode Island
	West Virginia	South Carolina
		Vermont (■)
		Wisconsin (■)

Sources

Income tax threshold: Johnson, N.; Zahradnik, R.; & McNichol, E. C. (2000). *State income tax burdens on low-income families in 1999.* Washington, DC: Center on Budget and Policy Priorities. Data are from tax year 1999.

Refundable earned income tax credit: Johnson, N. (2000). *A hand up: How state earned income tax credits help working families escape poverty: 2000 edition.* Washington, DC: Center on Budget and Policy Priorities. Data are from November 2000.

Refundable dependent care tax credit: Steinschneider, J.; Donahue, E. H.; Campbell, N. D.; & Williams, V. L. (1998). *Making care less taxing: Improving state child and dependent care tax provisions.* Washington, DC: National Women's Law Center; with updates from National Women's Law Center. (2000). Recent changes in state child and dependent care tax provisions: Tax year 2000 [unpublished table]. Data are from December 1999.

family of three with no earnings range from 5.8 percent to 23.9 percent. Even in the most generous states, annual TANF benefits are well below the federal poverty level; in 45 states, annual TANF benefits are below 50 percent of the federal poverty level.[13]

State Efforts to Provide Basic Supports

Ensuring that children's basic needs are met can be a difficult task for poor and low-income families with limited resources. Supports such as child care assistance, health insurance, and food and nutrition benefits help promote family economic security by reducing expenses and increasing disposable income. They can also support parental employment, reduce parental stress, and enhance young children's growth and development.

To examine state efforts to provide basic supports, this report looks at indicators of how states have implemented several federal programs: the Child Care and Development Fund; Medicaid and the Children's Health Insurance Program; food stamps; and the Special Supplemental Nutrition Program for Women, Infants, and Children.

Child Care Assistance

The majority of low-income young children in the United States have parents who are employed at least part-time. Helping low-income families afford high-quality child care is key both to supporting parental employment and to promoting positive child development. One of states' primary tools for addressing the child care needs of low-income working families is the federal Child Care and Development Fund (CCDF), a block grant that supports state-designed child care subsidy programs.

State Policy Choices

To examine state choices about child care subsidies funded through CCDF, this report looks at indicators in four areas.[14]

- **CCDF subsidy coverage.** States are free to set their own eligibility levels for child care subsidies as long as they do not exceed the federal maximum of 85 percent of the state median income. Eligibility levels across the states range from about $17,000 in maximum annual income to more than $40,000. States also vary considerably in the percentage of eligible children who actually receive benefits. The U.S. Department of Health and Human Services compares coverage rates across the states by estimating the number of potentially eligible children—those who *would be eligible* if each state adopted the maximum eligibility level allowed under federal guidelines—and comparing this figure to the number of children actually served.

- **Subsidy purchasing power.** Ideally, child care subsidies should enable low-income families to purchase quality child care. If states are to ensure adequate purchasing power for CCDF subsidies, they must offer a payment rate that local providers will accept. Federal guidelines recommend that states' rates for providers be set at a level not lower than the 75th percentile of the local market rate based on the results of a recent market rate survey. This should ensure that rates are high enough to encompass at least 75 percent of the local child care providers or slots.

- **Subsidy co-payment burden.** States typically require families that receive subsidies to make co-payments to their child care provider, with rates set on a sliding scale by family income. For subsidies to be useful to low-income families, states must set co-payment rates that are affordable. Federal guidelines recommend that rates not exceed 10 percent of a family's income.[15]

- **State spending on child care through TANF transfers.** Federal TANF regulations allow states to expand their child care subsidy resources by transferring TANF funds into CCDF.

*Findings**

- The percentage of potentially eligible children served by CCDF programs varies widely across the states, with 3 percent being served in the District of Columbia, 5 percent in Connecticut, and 25 percent in West Virginia. Nationally, approximately 12 percent of potentially eligible children are served. Note that child care subsidies funded directly by TANF and by some state funds are not included in these data.[16]

- Twenty-one states follow the recommended federal guideline regarding subsidy purchasing power. In the remaining 30 states, rates are set below the 75th percentile of the local market rate, are based on an outdated market rate survey,[17] or both. (See Table 3.1.)[18]

- Thirty-two states follow the recommended federal guideline regarding subsidy co-payment burden for a single-parent family of three at 150 percent of the federal poverty level. Of the remaining states, nine require a co-payment that exceeds 10 percent of such a family's income, and nine have set their CCDF income eligibility level too low for such a family to participate in the program (see Table 3.1).[19] As a result, a single-parent family of three at 150 percent of the poverty level in California makes no co-payment, while a similar family in South Dakota must contribute $500 per month—or 29 percent of their income—and a similar family in Missouri is not eligible for CCDF subsidies at all.[20]

- Forty-one states transfer federal TANF funds into their CCDF subsidy programs.[21]

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* See endnotes for dates of data collection and data sources. See Appendix C, Table 3, for data across all the states, as well as the individual state profiles.

Table 3.1

State Child Care and Development Fund (CCDF) Programs: Subsidy Coverage Rates and Adherence to Recommended Federal Guidelines

	Follows both recommended federal guidelines[1, 2]	Follows subsidy purchasing power guideline[1] ONLY	Follows subsidy co-payment burden guideline[2] ONLY	Does not follow either recommended federal guideline
Subsidy coverage rate above national average	Alaska California Illinois[3] Louisiana Maine New Mexico Vermont		Massachusetts Michigan North Carolina Oklahoma Pennsylvania Rhode Island Tennessee Washington	Arizona Kentucky Missouri New York[4] West Virginia
Subsidy coverage rate at or below national average	Florida Minnesota Nebraska Ohio South Carolina Texas Virginia	Arkansas Idaho Maryland Montana Nevada Utah Wisconsin	Colorado Connecticut District of Columbia Georgia Hawaii Indiana Kansas Mississippi New Hampshire New Jersey	Alabama Delaware Iowa North Dakota Oregon South Dakota Wyoming

1 *Subsidy purchasing power*: Federal CCDF guidelines recommend that to ensure adequate subsidy purchasing power, provider payment rates be set at a level not lower than the 75th percentile of the local market rate, based on the results of a recent market rate survey. A market rate survey was considered recent if it was conducted in 1997 or later.

2 *Subsidy co-payment burden*: Federal CCDF guidelines recommend that co-payment rates do not exceed 10 percent of a family's income. Subsidy co-payment burden has been assessed by comparing the co-payment required of a single-parent family of three at 150 percent of the federal poverty level to that family's income. In this table, a state that sets its CCDF income eligibility guideline too low for such a family to participate in the program is treated as having failed to follow the recommended federal guideline for co-payment burden.

3 Illinois has three regional subsidy rates; given variation in child care prices among counties, subsidy rates may be above or below the 75th percentile in a particular county.

4 In New York, co-payment rates vary significantly by county, ranging from 3 percent to 11 percent of family income.

Sources

Subsidy coverage rates: U.S. Department of Health and Human Services, Administration for Children and Families. (2000). Child Care and Development Block Grant/Child Care and Development Fund: Children served in fiscal year 1999 (average monthly). <http://www.acf.dhhs.gov/news/cctable.htm> Data are from fiscal year 1999. This table updates Table 1 in U.S. Department of Health and Human Services, Administration for Children and Families. (1999). *Access to child care for low-income working families.* Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families.

Federal CCDF guidelines: Blank, H. & Poersch, N. O. (1999). *State developments in child care and early education,1999.* Washington, DC: Children's Defense Fund. Data are from June 1999.

Box 3.1

Findings from the National Study of Child Care for Low-Income Families

The major source of funding for child care subsidies to support working families is the federal Child Care and Development Fund (CCDF). It was established as part of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996 and included significantly more federal funding for child care subsidies than was available under previous legislation. An interim report of the National Study of Child Care for Low-Income Families describes how 17 states used CCDF and other resources to meet the child care needs of low-income families in fiscal years 1997 through 1999. The study was funded by the U.S. Department of Health and Human Services and conducted by Abt Associates and NCCP. Major findings from the report include the following:

- **Spending by most states grew dramatically between 1997 and 1999; the median increase in spending for the 16 states providing financial information was 78 percent.** Funds came from the federal CCDF allocation, TANF funding, and other sources. In 1997, only three of the 16 states used TANF funding for child care, while all 16 states did in 1999.
- **As a result of the increased spending (from all available sources), states were able to serve many more children.** Twelve of the 15 states reporting usage data experienced more than a 30 percent growth in the number of children receiving subsidies.
- **Despite the large increase in the number of children served, the vast majority of children who were potentially eligible for subsidies did not receive them.** On average, the states in the study served only 15 to 20 percent of children who would be eligible for subsidies if states adopted the maximum federal CCDF eligibility guideline, and no state served more than 25 percent. States were able to meet fully the demand for child care subsidies from families receiving TANF; unmet demand came from families who did not receive TANF.
- **In the initial years, the tremendous growth in funding and subsidy use strained many states' administrative capacity and systems.** In most of the states, many of these issues were being resolved in the spring and summer of 1999.

Source

Abt Associates, Inc. & National Center for Children in Poverty. (2000). *National Study of Child Care for Low-Income Families: State and Community Substudy interim report*. Report prepared for the U.S. Department of Health and Human Services, Administration for Children and Families. The executive summary as well as the full interim report are available on the Abt Associates' Web site: http://www.abtassoc.com/reports/childdevelopment-download.html. Additional information about child care is available at the NCCP Web site: http://www.nccp.org.

Health Insurance

Low-wage and many types of part-time employment typically do not provide health insurance benefits. Because of the high cost of private insurance, most low-income families are unable to afford insurance on their own. Thus, a low-income family's ability to access health insurance generally depends on the availability of benefits through Medicaid and the Children's Health Insurance Program (CHIP).

States make several types of choices that determine the accessibility of health insurance. Eligibility levels determine which families can *potentially* receive benefits. The kinds of outreach and enrollment strategies states implement, and how aggressively they do so, determine the extent to which eligible families are *actually enrolled*. This report examines eligibility levels for young children and parents as well as several outreach and enrollment strategies. Due to data limitations, however, Medicaid and CHIP enrollment data for young children are not provided.[22] Without such data, eligibility levels may be misleading.

State Policy Choices

This report examines state Medicaid and CHIP eligibility levels for children under age six (looking at infants separately) and Medicaid eligibility levels for parents.

- **Medicaid/CHIP eligibility levels for children under age six.** Federal law requires states to set Medicaid income eligibility levels for children under age six no lower than 133 percent of the federal poverty level. Passed in 1997, the CHIP legislation offers states incentives to expand health insurance coverage for children up to 200 percent of the poverty level or higher in states that had already expanded Medicaid coverage to children above 150 percent of the poverty level; such states were allowed to set their CHIP eligibility level up to 50 percentage points above their June 1997 Medicaid eligibility level. States can use CHIP funds either to expand their Medicaid program for children or to create a separate child health insurance program.

- **Medicaid eligibility levels for parents.** States have wide discretion in setting income eligibility limits for parents under Medicaid; CHIP covers only children under age 19.

Eligibility levels for Medicaid and CHIP are only one indicator of states' efforts to expand health insurance coverage, as many eligible children and adults are not enrolled. Procedures for initial enrollment and recertification may limit enrollment if they are difficult and time-consuming; thus, states' efforts to streamline these processes give some indication of their commitment to ensuring maximum enrollment. Four strategies are being used across the states:[23]

- **Presumptive eligibility.** Immediate enrollment of children who appear to meet the Medicaid income guidelines—pending formal eligibility determination—can help children get routine care and needed medical treatment without delay. Under the presumptive eligibility option, certain health care providers, Head Start centers, and agencies and organizations (such as child care resource and referral networks) that determine eligibility for subsidized child care can make temporary eligibility determinations for Medicaid or CHIP based on the family's declaration that its income is below the state's income eligibility guidelines. No verification of income is needed at the time the presumptive eligibility determination is made, and the child's family has until the end of the following month to submit a full application.

- **12-month continuous eligibility.** This strategy, which allows children to remain enrolled in Medicaid or CHIP for a full year regardless of fluctuations in family income, can minimize disruptions in health coverage that may result when more frequent recertification is required.

- **No assets test.** Eliminating the assets test used to determine eligibility simplifies the application process and minimizes the verification burden.

- **Self-declaration of income.** Allowing applicants to declare their income rather than requiring extensive documentation also simplifies the application process and minimizes the verification burden.

*Findings**

- Twenty states set the Medicaid/CHIP income eligibility level for children under age six at 200 percent of the federal poverty level,[24] and 13 states set the level higher. (Where a state has implemented a separate CHIP program with an eligibility limit that differs from Medicaid, the higher of the two limits is considered.) (See Map 3.2.)[25]

- Only two states—the District of Columbia and Minnesota—set the Medicaid income eligibility level for a parent in a single-parent family of three at or above 200 percent of the poverty level. These are also the only two states that set similar eligibility levels for children and their parents. Only 10 states set the income eligibility level for parents at or above the poverty level (see Map 3.2). In 18 states, parents have to be below 50 percent of the federal poverty level to be eligible for Medicaid. The lowest limits in the country—22 percent of the federal poverty level—are in Alabama and Arkansas.[26]

- Only six states allow presumptive eligibility for Medicaid and CHIP; one state allows presumptive eligibility for Medicaid, but not CHIP.[27]

- Thirteen states allow 12-month continuous eligibility for Medicaid and CHIP. Two states allow 12-month continuous eligibility for Medicaid but not CHIP, and 10 states allow it for CHIP but not Medicaid.[28]

- Forty-one states do not have assets tests for Medicaid and CHIP; an additional six states have no assets test for CHIP but require it for Medicaid enrollment.[29]

- Seven states allow self-declaration of income for Medicaid and CHIP enrollment, and two additional states allow self-declaration of income for CHIP, but not Medicaid.[30]

Food and Nutrition Assistance

Because many families do not have sufficient financial resources to provide for their basic needs, in-kind benefits provided through the Food Stamp Program and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) can help ensure that young children do not go hungry.

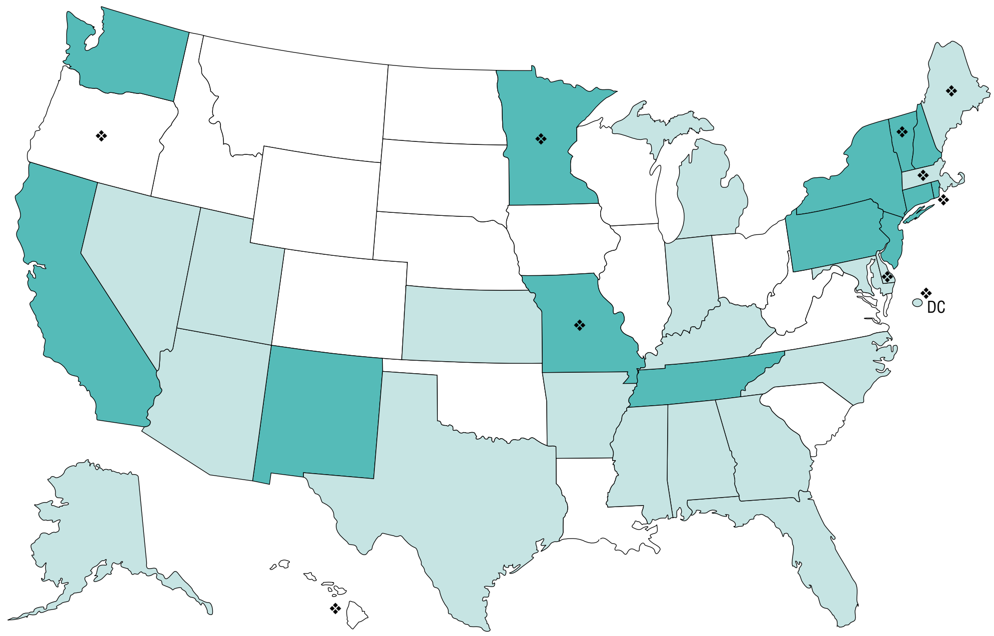
State Policy Choices

- **Food stamp coverage for young children.** Food stamp eligibility is set at the

* See endnotes for dates of data collection and data sources. See Appendix C, Tables 4 and 5, for data across all the states, as well as the individual state profiles.

Map 3.2

State Medicaid/Children's Health Insurance Program (CHIP) Income Eligibility Levels for Young Children and Parents



- Medicaid/CHIP eligibility level for children under age 6 below 200 percent of the federal poverty level (FPL) [18]
- Medicaid/CHIP eligibility level for children under age 6 at 200 percent of FPL [20]
- Medicaid/CHIP eligibility level for children under age 6 above 200 percent of FPL [13]
- ❖ Medicaid eligibility level for parents at or above 100 percent of FPL [10]

Medicaid/CHIP eligibility level for young children below 200% FPL [18]	Medicaid/CHIP eligibility level for young children at 200% FPL [20]	Medicaid/CHIP eligibility level for young children above 200% FPL [13]
Colorado	Alabama	California
Hawaii (❖)	Alaska	Connecticut
Idaho	Arizona	Minnesota (❖)
Illinois*	Arkansas	Missouri (❖)
Iowa	Delaware (❖)	New Hampshire
Louisiana	District of Columbia (❖)	New Jersey
Montana	Florida	New Mexico
Nebraska	Georgia	New York
North Dakota	Indiana	Pennsylvania
Ohio	Kansas	Rhode Island (❖)
Oklahoma	Kentucky	Tennessee
Oregon (❖)	Maine (❖)	Vermont (❖)
South Carolina	Maryland	Washington
South Dakota	Massachusetts (❖)	
Virginia	Michigan	
West Virginia	Mississippi	
Wisconsin	Nevada	
Wyoming	North Carolina	
	Texas	
	Utah	

* Medicaid/CHIP eligibility level for children birth to age 1: 200% FPL; children ages 1 to 6: 185% FPL.

Sources

Eligibility level for young children: Center on Budget and Policy Priorities. (2000). State income eligibility guidelines for children's Medicaid and separate child health insurance programs [table]. <http://www.cbpp.org/shsh/elig.htm> Data are from April 2000.

Eligibility level for parents: Guyer, J. & Mann, C. (1999). *Employed but not insured: A state-by-state analysis of the number of low-income working parents who lack health insurance.* Washington, DC: Center on Budget and Policy Priorities. Data are from February 1999.

federal level—a family must have a gross income of less than 130 percent of the federal poverty level and a net income below the poverty level to qualify[31]—and all eligible persons are entitled to receive benefits. Nonetheless, state choices about food stamp implementation influence coverage levels. In the absence of recent data on the percent of eligible children covered in each state, this report uses the following proxy: the number of children under age five living below 130 percent of the federal poverty level[32] is estimated and then compared to the number of children under age five receiving food stamps, using enrollment data from fiscal year 1998.[33]

- **State supplements to WIC.** The federal WIC program provides food assistance to low-income pregnant and postpartum women and to infants and children who are found to be at nutritional risk. Some states supplement their federal WIC allocations with state funds.

Findings*

- In six states—Georgia, Hawaii, Maryland, New Jersey, Rhode Island, and West Virginia—the number of children under age five enrolled in the Food Stamp Program constitutes 75 percent or more of the estimated number of eligible children.[34]

- Eleven states supplement the federal WIC program.[35]

Overall Patterns in State Efforts to Promote Family Economic Security

Altogether, these data demonstrate a striking amount of variability across the states. Within a single state, the benefits examined here are often not uniform—a single state may be generous on some indicators, stingy on others, and somewhere in between on the rest. The variability from state to state is also immense, especially when the indicators are examined as a whole. Despite this variability, some patterns are evident, especially among efforts to increase family income.

An Overall Look at Efforts to Increase Family Income

When the five indicators of state efforts to increase family income are examined—state income tax thresholds, refundable earned income credits, dependent care tax credits, state minimum wage levels, and generosity of TANF benefits— a positive relationship emerges: states that are more generous in one area tend to be more generous in others.

Examples of states with the most generous wage and income supports:

- Massachusetts and Vermont have an income tax threshold above the poverty level for a single-parent family of three and offer refundable earned income credits for low-

* See Appendix C, Table 4, for data across all the states, as well as the individual state profiles.

income families. Both states have adopted a minimum wage that exceeds the federal standard, and each ranks among the top 10 states in maximum TANF benefits for a single-parent family of three with no earnings.

- New York and Wisconsin also exempt poverty-level families from state income taxes, offer refundable earned income credits (New York offers a refundable dependent care credit as well), and rank among the top 10 states in maximum TANF benefits, though they have not raised the minimum wage.

Examples of states with the least generous wage and income supports:

- Alabama has the lowest tax threshold in the country, does not offer any income tax credits (refundable or nonrefundable), has not raised the minimum wage, and offers the lowest maximum TANF benefits of any state in the nation.

- Georgia, Kentucky, Louisiana, and North Carolina also have tax thresholds below the poverty level, fail to offer any refundable tax credits, and rank in the bottom 10 states in terms of TANF benefits. None of these states has a minimum wage above the federal standard.

An Overall Look at State Implementation of Federal Child Care and Health Benefits

Patterns are less evident across the child care subsidy indicators and across the health insurance indicators. Looking at child care subsidy coverage rates, subsidy purchasing power, and family co-payment burdens, there is little consistency within states, suggesting that states often make trade-offs among components of CCDF implementation. Similarly, there appears to be little overall relationship between Medicaid/CHIP eligibility levels for young children and for parents, although a handful of states do fall among the highest or lowest for both.

Evidence of trade-offs among child care subsidy policy choices:

- Fourteen states follow recommended federal guidelines regarding subsidy purchasing power as well as family co-payment burden for a single-parent family of three at 150 percent of the poverty level: Alaska, California, Florida, Illinois, Louisiana, Maine, Minnesota, Nebraska, New Mexico, Ohio, South Carolina, Texas, Vermont, and Virginia. Seven of these states also have subsidy coverage rates that exceed the national average, while seven have coverage rates below the national average.

- Five states do not follow recommended federal guidelines on either count: Arizona, Delaware, North Dakota, Oregon, and South Dakota.[36] Of these states, one has a subsidy coverage rate above the national average, two at the national average, and two below the national average.

Examples of states with the highest or lowest health insurance eligibility levels for both young children and parents:

- Minnesota, Missouri, Rhode Island, and Vermont have the most generous eligibility levels, with limits for young children that are above 200 percent of the poverty level and limits for parents that are at or above the poverty level.

- Louisiana, Virginia, and West Virginia have the least generous eligibility levels, with limits for young children that are below 200 percent of the poverty level and limits for parents that are at or below one-third of the poverty level.

A Trio of Supports for Family Economic Security: Income Tax Policies, Child Care Subsidies, and Health Insurance

Although all of the supports for low-income families examined in this chapter have implications for family economic security, the trio of state supports—income tax policies, child care subsidies, and health insurance benefits—are arguably the most important for the largest numbers of low-income working families. Other supports, such as TANF benefits and food stamps, are available only to the poorest families. Given the limitations of indicators for these three major supports for low-income families—most notably the lack of data on Medicaid and CHIP enrollment and the fact that some of the data do not reflect recent policy changes—findings about this trio of supports across the states are suggestive at best. Nonetheless, they indicate that some states are giving considerable attention to efforts to promote family economic security, while others are doing little. States with the strongest efforts to promote family economic security *relative to other states* are highlighted below. Note that none of these states is among the highest on all the family economic security indicators examined.

California has the highest income tax threshold in the country, but does not offer any refundable income credits. Its CCDF program follows the recommended federal guidelines regarding both subsidy purchasing power and family co-payment burden and exceeds the national average in terms of subsidy coverage. The state's Medicaid/CHIP income eligibility level for young children is 250 percent of the poverty level, though its Medicaid eligibility level for parents is below poverty.

Massachusetts has an income tax threshold that is well above the poverty level and offers a refundable earned income credit, though it offers no refundable dependent care credit. Its CCDF program fails to follow the recommended federal guideline regarding subsidy purchasing power, but follows the guideline on family co-payment burden and exceeds the national average in terms of subsidy coverage. The state's Medicaid/CHIP income eligibility level for young children is 200 percent of the poverty level, and its Medicaid eligibility level for parents is 133 percent of poverty.

Minnesota's income tax threshold is the second highest in the country, and the state offers refundable earned income and dependent care credits that are among the most generous in the country. Its CCDF program follows the recommended federal guidelines regarding both subsidy purchasing power and family co-payment burden, but its subsidy coverage rate is below the national average. The state's Medicaid/CHIP income eligibility level for young children is 275 percent of the poverty level (or 280 percent for children under age two), and its Medicaid eligibility level for parents is 275 percent of poverty—by far the highest level for parents in the country.

New Mexico has an income tax threshold that is above the poverty level, and the state offers a refundable dependent care credit, though no refundable earned income credit. Its CCDF program follows the recommended federal guidelines regarding both subsidy purchasing power and family co-payment burden and exceeds the national average in terms of subsidy coverage. The state's Medicaid/CHIP income eligibility level for young children is 235 percent of the poverty level, though its Medicaid eligibility level for parents is below poverty.

New York has an income tax threshold that is well above the poverty level, and the state offers among the most generous refundable earned income and dependent care credits in the country. Its CCDF program fails to follow the recommended federal guideline for subsidy purchasing power and only follows the guideline regarding family co-payment burden in some counties, but the program exceeds the national average in terms of subsidy coverage. The state's Medicaid/CHIP income eligibility level for young children is 230 percent of the poverty level, though its Medicaid eligibility level for parents is below poverty.

Rhode Island has an income tax threshold that is well above the poverty level, but the state does not offer any refundable income tax credits. Its CCDF program follows the recommended federal guideline regarding family co-payment burden and exceeds the national average in terms of subsidy coverage, but the program fails to follow the recommended federal guideline regarding subsidy purchasing power. The state's Medicaid/CHIP income eligibility level for young children is 250 percent of the poverty level, and its Medicaid eligibility level for parents is close to 200 percent of poverty.

Vermont has an income tax threshold that is well above the poverty level, and the state offers a generous refundable earned income credit, but does not offer a refundable dependent care credit. Its CCDF program follows the recommended federal guidelines regarding both subsidy purchasing power and family co-payment burden and exceeds the national average in terms of subsidy coverage. The state's Medicaid/CHIP income eligibility level for young children is 300 percent of the poverty level, and its Medicaid eligibility level for parents is 158 percent of poverty.

Endnotes

1. Note that depending on family size and number of wage earners, the federal Earned Income Tax Credit, if claimed, can bring a family supported by minimum wage income above the poverty level.

2. U.S. Census Bureau. (2000). *Poverty in the United States* (Current Population Reports No. P60-210). Washington, DC: U.S. Department of Commerce, Table 2: Age, Sex, Household Relationship, Race, and Hispanic Origin by Ratio of Income to Poverty Threshold: 1999.

3. NCCP analysis of U.S. Census Bureau data from 1994, 1996, and 1998. See Appendix A: *Technical Appendix for Demographic Statistics*.

4. See Johnson, N.; Zahradnik, R.; & McNichol, E. C. (2000). *State income tax burdens on low-income families in 1999.* Washington, DC: Center on Budget and Policy Priorities, p. 4.

5. Bernstein, J. & Brocht, C. (2000). *The next step: The new minimum wage proposals and the old opposition* (Issue Brief No. 130B). Washington, DC: Economic Policy Institute.

6. The threshold calculations include earned income credits, other general tax credits, exemptions, and standard deductions. Credits that are intended to offset the effects of taxes other than the income tax or that are not available to all low-income families are not taken into account.

7. Data are from tax year 1999. See Johnson, Zahradnik, & McNichol in endnote 4, p. 13, Table 1A: State Income Tax Thresholds for Single-Parent Families of Three, 1999.

8. *Ibid.*

9. Wisconsin offers a refundable earned income credit whose value—as a percentage of the federal credit—varies depending on the number of children (one child, 4 percent; two children, 14 percent; three or more children, 43 percent).

Indiana offers a refundable credit that is called an Earned Income Tax Credit. However, this credit differs substantially from the federal EITC and other state earned income credits in its income eligibility rules and benefit structure. It is only available to families with incomes below $12,000, and the amount of the credit declines rather than increases as earnings increase.

10. Data are from November 2000. See Johnson, N. (2000). *A hand up: How state earned income tax credits help working families escape poverty: 2000 edition.* Washington, DC: Center on Budget and Policy Priorities, p. 18, Table 4: State Earned Income Tax Credits Based on the Federal EITC, Tax Year 2000.

11. Data are from December 1999. See Steinschneider, J.; Donahue, E. H.; Campbell, N. D.; & Williams, V. L. (1998). *Making care less taxing: Improving state child and dependent care tax provisions.* Washington, DC: National Women's Law Center, pp. 27–32, Appendix: State Child and Dependent Care Tax Credits: Tax Year 1997; with updates from National Women's Law Center. (2000). Recent changes in state child and dependent care tax provisions: tax year 2000 [unpublished table].

12. Data are from August 2000. See U.S. Department of Labor. (2000). Minimum wage laws in the states, Table: Minimum Wage and Overtime Premium Pay Standards Applicable to Nonsupervisory NONFARM Private Sector Employment Under State and Federal Laws, August 1, 2000. <http:www.dol.gov/dol/esa/public/minwage/america.htm>

13. Data are from June 2000. Maximum monthly TANF cash assistance benefits are multiplied by 12 to obtain an annual figure. In states where welfare benefits vary by region or for different categories of recipients, the benefit level used is the one that applies to the largest number of TANF recipients in the state.

See State Policy Documentation Project. (2000). TANF cash assistance: Categorical and financial eligibility rules*.* Table: Monthly Cash Assistance and Food Stamp Benefits for Single-Parent Family of Three with No Earnings, 2000. <http://www.spdp.org/tanf/financial/MAXBEN2000.PDF>

14. For more information about CCDF programs, see Blank, H. & Poersch, N. O. (1999). *State developments in child care and early education, 1999.* Washington, DC: Children's Defense Fund. See also Collins, A.; Layzer, J. I.; Kreader, J. L.; Werner, A.; & Glantz, F. B. (2000). *National Study of Child Care for Low-Income Families: State and Community Substudy interim report.* Boston, MA: Abt Associates, Inc. and New York, NY: National Center for Children in Poverty, Columbia University Mailman School of Public Health. Report prepared for the U.S. Department of Health and Human Services, Administration for Children and Families.

15. Note that co-payments do not include additional amounts that families may be asked to pay by providers whose rates exceed state payment rates.

16. Data are from fiscal year 1999. U.S. Department of Health and Human Services, Administration for Children and Families. (2000). Child Care and Development Block Grant/Child Care and Development Fund: Children served in fiscal year 1999 (average monthly). <http://www.acf.dhhs.gov/news/cctable.htm>. This table updates Table 1: Estimates of Child Care and Development Fund (CCDF) Eligibility and Receipt: Children (Average Monthly Estimate) in U.S. Department of Health and Human Services, Administration for Children and Families. (1999). *Access to child care for low-income working families.* Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families.

17. In this report, we have defined an outdated survey as a survey conducted before 1997.

18. Data are from June 1999. See Blank & Poersch in endnote 14, pp. 34–35, Table 3: June 1, 1999 Snapshot: State Child Care Reimbursement Rates.

19. New York is not included in this analysis due to significant variations in rates by county. Co-payments range from 3 percent to 11 percent of family income.

20. Data are from June 1999. See Blank & Poersch in endnote 14, pp. 26–27, Table 2: June 1, 1999 Snapshot: Co-payments for a Family of Three at 150 Percent of FPL.

21. Data are from fiscal year 1999. See U.S. Department of Health and Human Services, Administration for Children and Families, Office of Financial Services. (2000). TANF program expenditures in FY 1999 through the 4th quarter, Table D: Percentages of Transfer Amounts to CCDF and SSBG for FYs 1997, 1998 and 1999. <http://www.acf.dhhs.gov/programs/ofs/data/q499/table-d.htm>

22. Separate data are available on Medicaid enrollment for young children and CHIP enrollment for children under age 19, but due to differences in recipient age ranges and in dates of data collection, these data can not be combined to produce total enrollment figures.

23. For more information about these strategies, see the following publications released by the Center on Budget and Policy Priorities in Washington, DC: Cox, L. & Ross, D. C. (2000). *Medicaid for children and CHIP income eligibility guidelines and enrollment procedures: Findings from a 50-state survey, preliminary report;* Center on Budget and Policy Priorities. (1999). *Steps states can take to facilitate Medicaid enrollment of children.* <http://www.cbpp.org/12-6-99health.htm>; Ross, D. C. (1999). *How early childhood programs can link children to free and low-cost health insurance programs.* <http://www.cbpp.org/6-10-98med.htm>; Ross, D. C. (1999). *How health care providers can help link children to free and low cost health insurance programs.* <http://www.cbpp.org/6-17-98med.htm>

24. In addition to these 20 states, Illinois sets the Medicaid/CHIP income eligibility level for infants under age one at 200 percent of the poverty level, but it sets the eligibility level for children ages one to six at 185 percent.

25. Data are from April 2000. See Center on Budget and Policy Priorities. (2000). State income eligibility guidelines for children's Medicaid and separate child health insurance programs [table]. <http://www.cbpp.org/shsh/elig.htm>

26. Data are from February 1999. See Guyer, J. & Mann, C. (1999). *Employed but not insured: A state-by-state analysis of the number of low-income working parents who lack health insurance.* Washington, DC: Center on Budget and Policy Priorities, p. 11, Table 3: How Much Can a Working Parent Who is Applying for Medicaid Earn and Still Be Eligible for Coverage?

27. Data are from March 2000. See Cox and Ross in endnote 23.

28. *Ibid.*

29. *Ibid.*

30. *Ibid.*

31. Households must meet these income tests *unless* all members are receiving benefits through TANF, Supplemental Security Income (SSI), or, in some places, general assistance. In these cases, a household is deemed categorically eligible (automatically qualified) for food stamps.

32. This estimate is based on NCCP analysis of U.S. Census Bureau data from 1994, 1996, and 1998. Note that this figure takes into account only the gross income requirement for food stamp qualification; it does not take into account the net income requirement or categorical eligibility (described above).

33. See U.S. Department of Agriculture. (2000). *Characteristics of food stamp households: Fiscal year 1998.* Washington, DC: U.S. Department of Agriculture, p. 80. Appendix B, Table B-10, Distribution of Participants by Age and by State.

34. Enrollment data are from fiscal year 1998. See endnote 33.

35. Data are from fiscal year 2000. See U.S. Department of Agriculture, Supplemental Food Programs Division. (2000). WIC program: State appropriations—fiscal year 2000 [unpublished table].

36. There are also seven states (in addition to these five) that fail to follow the subsidy purchasing power guideline and were not counted as following the co-payment burden guideline (see Table 3.1). Six of these states set the income eligibility level for CCDF subsidies too low to assess family co-payment burden (i.e., the burden was assessed for a single-parent family of three at 150 percent of the poverty level, and these six states set the income eligibility level below 150 percent of poverty). The seventh, New York, follows the family co-payment burden guideline in some counties, but does not follow it in others.

Chapter 4

Putting the Pieces Together: State Efforts to Improve the Well-Being of Young Children

The Findings in Brief

Map and Track 2000 examines two major types of state efforts to improve the well-being of children under age six and their families—child development and family support efforts, including both programs and early childhood systems development, and efforts to promote family economic security. Overall, the report finds significant growth in state efforts to promote child development and family support in comparison to the findings reported in *Map and Track 1998*. But differences among states, noted in the first edition of *Map and Track*, are still evident. When state child development and family support efforts are combined with state efforts to promote family economic security, the variation is all the more striking, making it clear that children's chances of having their needs met depend on the state in which they live.

State Efforts to Promote Child Development and Family Support Have Grown Significantly Since *Map and Track 1998*[1]

States have clearly gotten the message about the importance of investing in children's early development. Overall, states are investing more in child development and family support programs, both for infants and toddlers, and for preschoolers. They are also making more deliberate efforts to support programs and services through systems development strategies. Specific findings include:

1. **Total state spending for child development and family support efforts has increased by almost 90 percent since *Map and Track 1998*.**

   - States invested a total of over $3.7 billion in child development and family support programs and early childhood systems development efforts in fiscal year 2000, an increase of 87 percent.

2. **States are investing more in infants and toddlers.**

   - Thirty-one states now fund one or more child development and family support programs for infants and toddlers, including seven states that did not report such programs in *Map and Track 1998*. (See Map 2.1.)

- Spending for child development and family support programs targeting infants and toddlers has more than doubled: In fiscal year 2000, states spent a total of $226 million on child development and family support programs for children under age three, in comparison to $108 million reported in *Map and Track 1998*.[2]

- However, spending for infants and toddlers represents only 8 percent of total program spending for child development and family support.

3. **State investments in prekindergarten continue to grow.**

   - Forty-three states now fund prekindergarten, either by supplementing the federal Head Start program, providing their own prekindergarten programs, or both.[3] (See Table 2.1.)

   - Three states have added prekindergarten programs since *Map and Track 1998*, and seven states have added Head Start supplements. Most of these states did not previously have programs for preschoolers.

   - States spent a total of $2.1 billion on programs for preschoolers (ages three to six) in fiscal year 2000—a 24 percent increase over what was reported in *Map and Track 1998*. This spending figure includes child development and family support programs that specifically target preschoolers—the vast majority of which are prekindergarten programs—but does not include spending for prekindergarten through flexible funds that more broadly target all young children (i.e., including infants and toddlers).

   - More than 75 percent of states' total expenditures for child development and family support programs is dedicated to programs for preschoolers.

4. **Many states are building coordinated systems of services and supports for young children and families.**

   - Thirty states report some level of early childhood systems building efforts. Although not all of these efforts focus exclusively on young children, this nonetheless represents a substantial increase over the 16 states that reported systems-level initiatives in *Map and Track 1998*.

   - Eleven states dedicate state funds for system development efforts. In some cases, this money funds services.

Children's Chances of Having Their Needs Met Depend on the State in Which They Live

From its first edition, *Map and Track* has highlighted variation among state child development and family support efforts—variation which, if anything, has grown over time. When combined with state efforts to promote family economic security, the variation among states is all the more striking. Thus, families in some states have access to considerably more resources—whether higher wages, lower taxes, more generous child care and health care benefits, or early childhood programs and services—to help them improve outcomes for their young children as compared to families in other states. Specific findings include:

1. **Gains in child development and family support efforts have been uneven.**

   - Although nearly two-thirds of states now fund at least one program targeting infants and toddlers and one for preschoolers, five states fund no child development and family support programs for young children and families. (See Table 4.1.)

   - Thirty-three states increased spending for child development and family support programs and initiatives by 10 percent or more since *Map and Track 1998*. But five states had increases of less than 10 percent, 10 states had no change in funding levels, and two states reported overall decreases in spending.

   - Taking into account each state's total child development and family support spending—including both programs and systems building efforts—six states invested more than $200 per child under age six,[4] while 14 states spent $20 or less (see Table 4.1). Further, states with similar young child poverty rates and similar numbers of young children are making very different levels of investment. For example, among states with young child poverty rates above the national average, child development and family support spending per young child spans the full range from $0 to more than $200. And both large and small states can be found among those investing more than $100 per young child.

2. **State efforts to promote family economic security vary widely.**

   - In 22 states, a single-parent family of three living below the poverty level is exempt from paying state income tax. Twenty states tax such families. Nine states do not tax personal income.[5] (See Table 4.2.)

   - Ten states offer refundable earned income credits, ranging from 10 to 34 percent of the federal credit.[6] Eight states offer refundable dependent care credits, with maximum benefits for a family with two or more dependents ranging from $288 to $1,400.[7] Only three states offer both types of credits, and 36 states do not offer either. (See Table 4.2.)

   - Fourteen states have implemented child care subsidy programs through the Child Care and Development Fund (CCDF) that follow recommended federal guidelines regarding both provider payment rates and family co-payment burden, while five states do not follow either recommended federal guideline.[8] Moreover, the percentage of potentially eligible children served through CCDF programs ranges from less than 5 percent to 25 percent across the states. Nationally, the coverage rate is 12 percent.[9] (See Table 4.2.)

Table 4.1

States Funding Child Development and Family Support Efforts for Young Children, Fiscal Year 2000

State	Programs for ages 0–3	Programs for ages 3–6	Programs for ages 0–6	Systems development initiatives with dedicated funds	Level of funding (per child 0–6)
Alabama					
Alaska		x	x	x	$$$
Arizona	x	x	x		$$
Arkansas			x		$$
California	x	x	x	x	$$$$
Colorado		x	x		$$
Connecticut		x	x		$$$
Delaware		x	x		$$$
District of Columbia	x	x			$$$$
Florida	x	x	x (●)		$$$
Georgia	x	x			$$$$
Hawaii	x	x	x		$$
Idaho	x (●)	x (●)	x (●)		$
Illinois			x	x	$$$
Indiana	x				$$
Iowa	x	x		x	$$
Kansas	x	x (●)			$$
Kentucky	x (●)	x			$$$
Louisiana	x (●)	x			$
Maine	x	x			$$
Maryland	x	x	x (●)		$$
Massachusetts	x	x			$$$$
Michigan	x	x	x (●)		$$
Minnesota	x	x	x		$$$
Mississippi					
Missouri	x (●)	x (●)	x	x	$$$
Montana			x		$
Nebraska			x		$
Nevada	x	x (●)	x		$
New Hampshire	x	x			$
New Jersey		x			*
New Mexico	x	x (●)	x		$$
New York		x	x		$$
North Carolina	x	x	x	x	$$$$
North Dakota	x (●)	x (●)			$
Ohio	x	x			$$$
Oklahoma	x	x	x		$$$$
Oregon	x	x	x	x	$$$
Pennsylvania			x		$
Rhode Island	x	x	x	x	$$$
South Carolina	x (●)	x	x	x	$$$
South Dakota					
Tennessee		x	x		$
Texas		x	x		$$$
Utah					
Vermont	x	x	x		$$
Virginia		x			$$
Washington		x		x	$$
West Virginia	x (●)	x	x	x	$$
Wisconsin	x	x	x		$$$
Wyoming					

* New Jersey's funding level is not reported because the state's funding figures include a substantial amount of kindergarten spending.

(●) States that did not report programs for this age category in *Map and Track 1998* but have since added such programs.

Dollars spent per child under age six (includes funding for programs and early childhood systems development):

$$$$ more than $200
$$$ between $100 and $200
$$ between $20 and $100 (note that no state in this category spent less than $40 per child under age 6)
$ between $0 and $20

Table 4.2

Selected State Policy Efforts to Promote Family Economic Security, 1998–2000[10]

State	State income tax policies			State CCDF programs			Medicaid/CHIP eligibility levels		
	Tax threshold at or above federal poverty level (FPL)	State offers refundable earned income credit	State offers refundable dependent care credit	Subsidy coverage rate above U.S. average (12%)	Follows federal guidelines on: Subsidy purchasing power	Follows federal guidelines on: Subsidy co-payment burden	For infants (0–1): at or above 200% FPL	For children (1–6): at or above 200% FPL	For parents: at or above 100% FPL
	1	2	3	4	5	6	7	8	9
Alabama						N/A	x	x	
Alaska	No Tax			x	x	x	x	x	
Arizona	x			x			x	x	
Arkansas			x [a]		x	N/A	x	x	
California	x			x	x [c]	x	x	x	
Colorado	x	x	x			x			
Connecticut	x					x	x	x	
Delaware							x	x	x
District of Columbia	x	x				x	x	x	x
Florida	No Tax				x	x	x	x	
Georgia						x	x	x	
Hawaii			x			x			x
Idaho	x				x	N/A			
Illinois				x	x [d]	x	x		
Indiana						x	x	x	
Iowa	x		x			N/A			
Kansas	x	x				x	x	x	
Kentucky				x		N/A	x	x	
Louisiana				x	x	x			
Maine	x			x	x	x	x	x	x
Maryland	x	x			x	N/A	x	x	
Massachusetts	x	x		x		x	x	x	x
Michigan				x		x	x	x	
Minnesota	x	x	x		x	x	x	x	x
Mississippi	x					x	x	x	
Missouri				x		N/A	x	x	x
Montana					x				
Nebraska	x		x [b]		x	x			
Nevada	No Tax				x		x	x	
New Hampshire	No Tax					x	x	x	
New Jersey		x				x	x	x	
New Mexico	x		x	x	x	x	x	x	
New York	x	x	x	x		[e]	x	x	
North Carolina				x		x	x	x	
North Dakota	x								
Ohio					x	x			
Oklahoma				x		x			
Oregon									x
Pennsylvania	x			x		x	x	x	
Rhode Island	x			x		x	x	x	x
South Carolina	x				x	x			
South Dakota	No Tax								
Tennessee	No Tax			x		x	x	x	
Texas	No Tax				x	x	x	x	
Utah					x		x	x	
Vermont	x	x		x	x	x	x	x	x
Virginia					x	x			
Washington	No Tax			x		x	x	x	
West Virginia				x		N/A			
Wisconsin	x	x			x				
Wyoming	No Tax					N/A			

N/A: Family of three at 150% FPL is not eligible for CCDF subsidies.

[a] Only for care of children ages 3 to 5 in an accredited, developmentally appropriate early childhood education program.

[b] For taxpayers with a federal adjusted gross income of $29,000 or less.

[c] The state rate in California is set at 1.5 standard deviations above the average market rate survey from 1997.

[d] Illinois has three regional rates; given variation among counties, rates may be above, equal to, or below the 75th percentile in a particular county.

[e] Co-payment rates vary by county.

- Twenty states set the Medicaid or CHIP income eligibility limit for children under age six at 200 percent of the federal poverty level, and 13 states set their limits higher. Only 10 states set the Medicaid income eligibility limit for parents at or above the poverty level; the rest set it below.[11] (See Table 4.2.)

3. **Only a handful of states are making significant efforts to promote both family economic security and child development and family support.**

   - No state makes significant efforts across all the family economic security indicators tracked in this report in addition to making substantial investments in child development and family support. See Box 4.1 for descriptions of four states that are making strong efforts across both these areas relative to other states.

   - At the other end of the spectrum, several states are doing little to promote family economic security and fund no child development or family support programs.

   - Most states fall somewhere in the middle. They make some efforts to promote family economic security (such as avoiding onerous co-payments for child care subsidies or providing health insurance to children in families with incomes up to 200 percent of the federal poverty level) and some child development and family support investments (such as investing in a home visiting program for infants and toddlers as well as a prekindergarten program). But comprehensive approaches across economic security as well as child development and family support are rare.

Substantial Challenges Remain to Ensure the Well-Being of Young Children

Despite the growth in state investments in child development and family support, a number of challenges remain—from reducing child poverty to improving existing programs and addressing service gaps. Each of these challenges has implications for the future early childhood agenda, especially at the state level.

1. **Discussion about the importance of family economic security is largely missing from efforts to enhance the development of young children.** Although child poverty is widely acknowledged to be one of the principal threats to healthy child development and school readiness, policy efforts to help working parents achieve and maintain economic security for their families are largely disconnected from child development and family support efforts.

2. **The disparities in child development and family support efforts across the states are qualitative as well as quantitative.** Not only are states making very different levels of investment in child development and family support—with some states spending a lot and others spending little or nothing—state efforts reflect varying levels of strategic thinking. While some states have implemented systems

Box 4.1

States with Strong Investments in Family Economic Security and Child Development/Family Support Relative to Other States*

Of these states, only California has a young child poverty rate above the national average.

California

- Highest income tax threshold in the country.
- Follows recommended federal guidelines for CCDF subsidy purchasing power and family co-payment burden.
- Exceeds national average for CCDF subsidy coverage.
- Medicaid/CHIP income eligibility for young children is 250 percent of the federal poverty level, but Medicaid income eligibility for parents is below the poverty level.
- Funds child development and family support programs for infants and toddlers as well as preschoolers.
- New comprehensive early childhood initiative: Children and Families Act (Proposition 10), funded at $690 million.
- One of the highest levels of per capita spending on child development and family support efforts in the country.

Massachusetts

- Income tax threshold well above the federal poverty level.
- Refundable earned income credit, but no refundable dependent care credit.
- Follows recommended federal guideline for CCDF family co-payment burden but not for subsidy purchasing power.
- Exceeds national average for CCDF subsidy coverage.
- Medicaid/CHIP income eligibility for young children is 200 percent of the federal poverty level, and Medicaid income eligibility for parents is 133 percent of poverty.
- Funds child development and family support programs for infants and toddlers as well as preschoolers.
- Recent systems development efforts to assess, improve, and coordinate services for infants and toddlers.
- One of the highest levels of per capita spending on child development and family support efforts in the country.

Minnesota

- Second highest income tax threshold in the country.
- Largest refundable earned income and dependent care credits.
- Follows recommended federal guidelines for CCDF subsidy purchasing power and family co-payment burden, but coverage is below the national average.
- Medicaid/CHIP income eligibility for young children is 275** percent of the federal poverty level, and Medicaid income eligibility for parents is also 275 percent of poverty—the highest in the country.
- Funds child development and family support programs for infants and toddlers as well as preschoolers.
- Recent systems development efforts to improve and coordinate early care and education services to promote school readiness.

Vermont

- Income tax threshold well above the federal poverty level.
- Second largest refundable earned income credit, but no refundable dependent care credit.
- Follows recommended federal guidelines for CCDF subsidy purchasing power and family co-payment burden.
- Exceeds national average for CCDF subsidy coverage.
- Medicaid/CHIP income eligibility for young children is 300 percent of the federal poverty level—among the highest in the country—and Medicaid income eligibility for parents is 158 percent of poverty.
- Funds child development and family support programs for infants and toddlers as well as preschoolers, but per capita spending for child development and family support efforts is well below the national average.
- Ongoing systems development efforts linking state-level planning with local networks.

* Since dates of data collection range from February 1999 to October 2000, recent policy changes may not be reflected.

** Medicaid/CHIP income eligibility for children under age two is 280 percent of the federal poverty level.

development efforts that provide mechanisms for planning across services, linking state and local efforts, and identifying and tracking outcomes, other states have simply implemented isolated programs.

3. **In general, child development and family support services are not well coordinated.** Insufficient coordination exists at two levels—among services for a single age group and across the developmental span. Some states now have multiple programs providing services for a single age group (e.g., infants and toddlers), yet coordination among such programs is generally informal, if it exists at all. The same is true of state efforts to transition children between programs across the early years. Even in states with programs targeting infants and toddlers as well as programs targeting preschoolers, individual children do not necessarily receive a continuum of services. And although some states have focused on helping children make the transition to school, most state prekindergarten programs do not require providers to have a transition plan.

4. **A tension exists between the goal of universal access to child development and family support programs and the reality of limited access.** Many state informants expressed interest in moving toward universal access to child development and family support programs. But across the country, access to such programs is limited, with most serving only the families in greatest need. While many respondents expressed concern about the political vulnerability of narrowly targeted programs, there is currently insufficient political support in most states to reach the level of investment necessary to achieve the goal of universal access. Moreover, services for young children are sometimes forced to compete for resources and political attention. For example, some informants reported competition between prekindergarten services and efforts to expand subsidized child care or to implement full-day kindergarten.

5. **Convincing legislators to support investments in early childhood is challenging.** Many respondents reported having to work hard to convince state legislators to support initiatives for young children. Some lamented not having adequate data to demonstrate the worthiness of proposed programs or initiatives. Term limits complicate the issue, because state administrators and advocates must educate new legislators about the importance of investing in early childhood. All legislators—whether concerned about reelection or aspirations for higher office—may be hesitant to support programs that require significant investments but cannot demonstrate results in the short term.

Toward the Future

Although many states have worked hard, especially in recent years, to improve the well-being of young children, the challenges and disparities identified above must be addressed if *all* young children are to benefit from increased efforts to attend to their needs. State policymakers can achieve these goals by prioritizing the well-being of young children through their policy and program choices. Promoting family economic security and enhancing child development and family support are bipartisan issues. Strong leadership has come from both major parties at the gubernatorial level, and sometimes at the legislative level. At the same time, it is clear that much work needs to be done to broaden the network of stakeholders who understand why investing in young children is in America's best interest. Elected officials change, as do state administrators. But young children's need for caring, nurturing relationships and stimulating environments does not.

Endnotes

1. *Map and Track 2000* includes the District of Columbia and counts it as a state. However, the District was not included in the program profiles for *Map and Track 1998*, so it is excluded from comparisons to the 1998 findings.

2. These figures do not include spending for programs that target older children (up to age six) that may have a specific focus on infants and toddlers.

3. Note that this includes nine states that allocate flexible funds that may be used to support prekindergarten but may support other services instead.

4. Although New Jersey's spending falls above $200 per child under age six, it is not included here because the state's funding figures include a substantial amount of kindergarten spending.

5. Data are from tax year 1999. See Johnson, N.; Zahradnik, R.; & McNichol, E. C. (2000). *State income tax burdens on low-income families in 1999.* Washington, DC: Center on Budget and Policy Priorities, p. 13, Table 1A: State Income Tax Thresholds for Single-Parent Families of Three, 1999.

6. Data are from November 2000. See Johnson, N. (2000). *A hand up: How state earned income tax credits help working families escape poverty: 2000 edition.* Washington, DC: Center on Budget and Policy Priorities, p. 18, Table 4: State Earned Income Tax Credits Based on the Federal EITC, Tax Year 2000.

7. Data are from December 1999. See Steinschneider, J.; Donahue, E. H.; Campbell, N. D.; & Williams, V. L. (1998). *Making care less taxing: Improving state child and dependent care tax provisions.* Washington, DC: National Women's Law Center, pp. 27–32, Appendix: State Child and Dependent Care Tax Credits: Tax Year 1997, with updates from National Women's Law Center. (2000). Recent changes in state child and dependent care tax provisions: Tax year 2000 [unpublished table].

8. Data are from June 1999. See Blank, H. & Poersch, N. O. (1999). *State developments in child care and early education, 1999.* Washington, DC: Children's Defense Fund, pp. 34–35, Table 3: June 1, 1999 Snapshot: State Child Care Reimbursement Rates, and pp. 26–27, Table 2: June 1, 1999 Snapshot: Co-payments for a Family of Three at 150 Percent of FPL.

9. Data are from fiscal year 1999. "Potentially eligible children" refers to those who would be eligible for child care subsidies if states adopted the maximum federal eligibility level. See U.S. Department of Health and Human Services, Administration for Children and Families. (2000). Child Care and Development Block Grant/Child Care and Development Fund: Children served in fiscal year 1999 (average monthly). <http://www.acf.dhhs.gov/news/cctable.htm> This table updates Table 1: Estimates of Child Care and Development Fund (CCDF) Eligibility and Receipt: Children (Average Monthly Estimate) in U.S. Department of Health and Human Services, Administration for Children and Families. (1999). *Access to child care for low-income working families.* Washington, DC: U.S. Department of Health and Human Services.

10. Table 4.2 sources, by column number: (1) Johnson, N.; Zahradnik, R.; & McNichol, E. C. (2000). *State income tax burdens on low-income families in 1999*. Washington, DC: Center on Budget and Policy Priorities. Data are from tax year 1999; (2) Johnson, N. (2000). *A hand up: How state earned* *income tax credits help working families escape poverty: 2000 edition*. Washington, DC: Center on Budget and Policy Priorities. Data are from November 2000; (3) Steinschneider, J.; Donahue, E. H.; Campbell, N. D.; & Williams, V. L. (1998). *Making care less taxing: Improving state child and dependent care tax provisions*. Washington, DC: National Women's Law Center; with updates from National Women's Law Center (2000). Recent changes in state child and dependent care tax provisions: Tax year 2000 [unpublished table]. Data are from December 1999; (4) U.S. Department of Health and Human Services, Administration for Children and Families. (2000). Child Care and Development Block Grant/Child Care and Development Fund: Children served in Fiscal Year 1999 (average monthly) <http://www.acf.dhhs.gov/news/cctable.htm> Data are from fiscal year 1999. This table updates the information reported in U.S. Department of Health and Human Services, Administration for Children and Families. (1999). Access to child care for low-income working families. Washington DC: U.S. Department of Health and Human Services; (5) Blank, H. & Poersch, N. O. (1999). *State developments in child care and early education, 1999*. Washington, DC: Children's Defense Fund. Data are from June 1999; (6) Ibid; (7) Center on Budget and Policy Priorities. (2000). State income eligibility guidelines for children's Medicaid and separate child health insurance programs [table]. <http://www.cbpp.org/shsh/elig.htm> Data are from April 2000; (8) Ibid; (9) Guyer, J. & Mann, C. (1999). *Employed but not insured: A state-by-state analysis of the number of low-income working parents who lack health insurance*. Washington, DC: Center on Budget and Policy Priorities. Data are from February 1999.

11. Data are from April 2000. See source (7) Center on Budget and Policy Priorities in endnote 10.

Section II

State Profiles