



CHILD CARE POLICY 101 QUICK START GUIDE

Child Care Policy 101

A Quick Start Guide

Chaos & Clarity Library
by Perfect Start Consulting

Introduction

Welcome to Chaos & Clarity by Perfect Start Consulting.

This Quick Start Guide is a resource for early childhood educators, especially family child care educators, to better understand how child care policies work in the United States.

It is important for educators and families to understand what is happening in government and how to navigate these systems as we advocate for children, families, and the early childhood workforce.

This guide provides brief overviews of:

- How Child Care Policy Works in the United States
- Federal vs. State Roles
- What Family Child Care Educators Should Understand
- Key Policy Terms

As a reminder, this guide is not a complete or in-depth overview of child

care policy. It is a Quick Start designed to help educators begin the process of advocating, researching, and understanding our place within the systems that shape early childhood education.

How Child Care Policy Works in the United States

Child care policy in the United States can be confusing when we try to understand how it flows from the federal government to state governments.

Unlike some systems that are funded through one national program, child care policy in the U.S. is supported by multiple funding streams. Two of the primary sources include state-level programs and the Child Care and Development Fund (CCDF).

The Child Care and Development Fund (CCDF) is a federal program that provides funding to states to help support child care subsidies for low-income working families with children under the age of 13.

While CCDF provides federal funding and establishes broad requirements, states are responsible for administering these programs and developing additional policies that determine how the funding is implemented.

Because of this, child care systems can look very different from one state to another.

States have the authority to determine policies such as:

- Where subsidy income eligibility limits are set
- How much educators and programs are paid through subsidy programs
- What types of providers are eligible to accept subsidies
- Licensing requirements for educators and facilities that provide care

States also play a role in implementing other federally supported early childhood programs.

For example, Head Start and Early Head Start partnerships are federal programs designed to support early learning and family services for children from low-income families. These programs provide grants to public agencies and nonprofit organizations that operate early childhood programs within communities.

Because child care policy involves multiple levels of government, understanding how these systems work is an important step for educators and families who want to advocate for stronger support for children, families, and the early childhood workforce.

For more in-depth information about federal child care policy, the Bipartisan Policy Center provides detailed explanations and research on national child care policy.

The Chaos & Clarity initiative by Perfect Start Consulting will also offer policy explanation webinars designed to help educators better understand the systems shaping early childhood education.

Federal vs. State Roles

Before explaining the difference between federal and state roles in child care policy, it is helpful to understand why it is important for educators and families to have at least a basic understanding of government and policy systems.

Policies created at the federal, state, and local levels directly impact many aspects of early childhood education, including:

- Pay rates for educators
- Staff-to-child ratios
- Licensing requirements
- Access to child care subsidies
- Overall program stability

These policies shape nearly every part of how child care programs operate and ensure that programs can run safely while protecting the health and

well-being of children.

However, many times these policies are developed by individuals who may not fully understand the realities of the child care field. If educators want to see meaningful improvements in the system, it is important that we understand how government systems work and where decisions are made.

Understanding these roles allows educators and families to better advocate for policies that support children, families, and the early childhood workforce.

Federal Role

The federal government plays a major role in funding and setting broad policy guidance for child care programs across the United States.

A large portion of child care funding comes from the federal government and is distributed to states and territories through programs such as the Child Care and Development Fund (CCDF). Funding amounts are typically based on factors such as population size and other economic considerations.

In addition to funding, the federal government establishes baseline rules and guidelines that states must follow in order to receive and use these funds.

These federal policies may influence areas such as:

- Eligibility requirements for subsidies
- Basic health and safety standards
- Reporting and accountability requirements
- How states structure subsidy payment systems

For example, federal policies may influence whether states are allowed to pay providers based on attendance or enrollment (slots). When federal policies set specific requirements, states must follow those rules in order to maintain access to federal funding.

State Role

While the federal government provides funding and broad policy guidance, states are responsible for implementing child care programs within their own systems.

States develop the specific policies and structures used to administer child care programs. While these policies must align with federal requirements, states often have flexibility to design systems that fit their population, workforce, and existing programs.

State responsibilities include decisions such as:

- Determining subsidy eligibility limits for families
- Setting reimbursement rates for educators and programs
- Choosing how payment rates are calculated (for example, Market Rate Surveys or True Cost of Care studies)
- Establishing licensing requirements and regulatory systems
- Administering subsidy systems such as Alternative Payment Programs (APPs)

Over time, many states have also had to increase their own funding contributions to support child care systems as costs and demand for care have grown.

Because states control many of the day-to-day policies that affect educators and programs, state-level advocacy is often one of the most direct ways educators can influence the child care system.

What Educators Should Understand About Policy

Policies that affect educators often begin in two ways. They may come from the top down, meaning they are introduced by legislators, or they may emerge as a response to an incident or issue that draws the attention of lawmakers.

Because of this, it is important that educators are involved in the creation and discussion of policies and regulations that impact early childhood education.

Too often, practitioners assume there is nothing they can do to influence these decisions. In reality, the people working directly with children and families have valuable knowledge and experience that should help shape policy.

Educators and families have the power to influence change when they organize and participate in the policy process.

Some ways educators can engage include:

- Calling or writing to state legislators about issues impacting early childhood education
- Paying attention to when legislative sessions and bill seasons occur
- Organizing meetings with local representatives to discuss the realities of child care programs
- Inviting policymakers to visit your program and see the work firsthand

If you are not comfortable leading advocacy efforts on your own, you can also connect with organizations and advocacy groups that work to represent educators and the early childhood field.

A helpful starting point is the website [Find My Representative](#), which allows you to identify the elected officials who represent your area. From there, you can visit their websites, send messages, and request meetings to discuss the issues that matter to you and your program.

Educators can also create one-page policy briefs, often called “one-pagers,”

that clearly explain the issue they are advocating for and the change they would like to see. These documents help policymakers quickly understand the challenges facing early childhood programs.

Advocacy does not always require large movements. Small actions, consistent communication, and collaboration with others in the field can have a meaningful impact on the policies that shape early childhood education.

The Chaos & Clarity initiative by Perfect Start Consulting exists to help educators better understand these systems and to support those who want to take action through advocacy, research, and informed conversation.

Key Policy Terms

Licensed Care

Care that takes place in a home or center that is screened for health and safety by state regulatory agencies such as Departments of Social Services or Community Care Licensing.

License-Exempt Care

Child care that does not require a license. Certain states have rules about who can be considered license-exempt and for how long. There may also be regulations about where this care can take place and the ages of children who may be served.

Ratios

The number of children that can be cared for by staff in a classroom or program. Ratios exist to ensure children's safety and adequate supervision in both family child care homes and center-based programs.

Subsidized Care

Child care assistance funded by federal or state governments to help low-income families afford child care. Families who qualify receive financial support that helps pay for their child care provider.

Alternative Payment Program (APP)

Organizations that administer child care subsidies for low-income families. These agencies determine eligibility, manage payments to providers, and support families in accessing child care services.

Liability Insurance

Insurance that protects child care providers in case of accidents or injuries that occur while children are in their care.

Family, Friend, and Neighbor (FFN) Care

Care provided to a child by a family member, friend, or neighbor. This type of care is often informal and may or may not be regulated depending on the state.

Median Household Income

The middle income level for households in a specific area. Half of households earn more than this amount and half earn less. This measure is often used to determine eligibility for certain programs and supports.

Non-Traditional Hours

Work hours that fall outside of the traditional 7:00 AM–6:00 PM schedule. This includes evening, overnight, and weekend shifts.

In-Home Care

Care provided in a private residence. In early childhood education, this often refers to a licensed Family Child Care program operated in an educator's home.

Resource and Referral Program (R&R)

Community-based organizations that provide information, training, and support for parents, educators, and child care providers.

Slot

An available child care space for a child in a center or family child care program.

School-Age Care

Care provided for children who attend public or private school, typically between the ages of 5 and 13.

QRIS (Quality Rating and Improvement System)

A system used by many states to evaluate and improve the quality of early childhood programs. QRIS often provides training, coaching, and support to participating programs.

Reimbursement Rate

The amount set by the state that child care providers are paid when they care for a child receiving a child care subsidy.

Market Rate Survey

A study conducted by states to determine the typical prices families are paying for child care in their area. States often use this information to set reimbursement rates for providers who accept subsidies.

True Cost of Care

A study that attempts to calculate the actual cost of operating a child care program that pays educators fairly and meets quality standards.

Cost Modeling

A method used by researchers and policymakers to estimate the full cost of providing child care services, including staffing, facilities, materials, and benefits.

Stabilization Grants

Financial supports provided to child care programs during the COVID-19 pandemic. These grants helped programs remain open, support staff wages, and continue serving families during a time of economic disruption.

NAEYC

National Association for the Education of Young Children – A national professional organization that supports early childhood educators through research, standards, and professional development.

NAFCC

National Association for Family Child Care – A national organization that supports family child care educators through accreditation, advocacy, and professional development.

