NO KID HUNGRY®

THE LONG GAME: ALIGNING SYSTEMS AND PRACTICES WITH THE FAMILIES THEY SERVE

LESSONS FROM THE MISSISSIPPI LOW-INCOME CHILD CARE INITIATIVE
AND OPPORTUNITIES FOR CHILDCARE ADVOCATES NATIONWIDE

TABLE OF CONTENTS

INTRODUCTION

This playbook highlights learnings from Mississippi Low-Income Childcare Initiative (MLICCI) in their decades-long journey to capture justice for those most removed from it– ensuring equity, opportunity, and a fighting chance for mothers working to provide for their children. MLICCI's tale is one of slow and steady progress through unfavorable climates, and of clear-minded analyses of power and resources that have enabled them not only to represent families and childcare providers in their state, but also to deliver for them.

In this piece, they share lessons that can be applied beyond childcare and beyond Mississippi for those who want to be bridge builders – who not only make change but sustain it.

Written with practitioners, advocates and funders for family economic mobility in mind, this case study analyzes:

- **THE CHILDCARE LANDSCAPE** in the United States; a microcosm of a system largely misaligned with the needs and pursuits of everyday people, single mothers especially
- **KEY STRATEGIES** and tactics utilized by MLICCI— ones worth being replicated by leaders looking to drive change, and being funded by those with aims of supporting that change
- **OPPORTUNITIES FOR ADVOCATES AND PRACTITIONERS** – an exploration of revenue generating and policy options that can be pursued across the country

THE CHILDCARE LANDSCAPE: A MICROCOSM OF A SYSTEM FAILING TO SERVE FAMILIES

A Crisis Foretold: The Expiration of Pandemic-Era Funding

In September 2024, federal pandemic-era child care funding secured by the American Rescue Plan Act (ARPA) was set to expire, and the warnings came quickly. Advocates and child care providers across the country described what was coming: rising costs, shrinking capacity, and families being pushed out of care.

ARPA funding had unlocked a combined $39 billion (National Women's Law Center, 2023) and was used to sustain operations for 220,000 childcare centers and support access for 10 million children around the country (Office of the Administration for Children & Families, 2024). These funds were used to:

- **PAY CENTERS** based on enrollment rather than attendance (this was a permanent change, now being revisited as it is no longer federally mandated as of May 2026)
- **WAIVE** parents' copay fee (this is no longer)
- **CREATE** a substitute teacher pool (this is no longer)
- **GRANT** directly to child care centers (this is no longer)

Its sunset was rightfully anticipated as a looming crisis. Less than a year after the dollars' expiration in Mississippi:

- **41% OF PROVIDERS SAID** parents had to quit work after losing access to subsidies;
- **30% SAID** parents had to drop education or training programs;
- **44% WERE PROVIDING** child care at no cost for families who lost coverage, absorbing the loss so families wouldn't unravel entirely (Mississippi Low-Income Child Care Initiative, 2025).

From 9,000 to 19,000: A Waiting List That Kept Growing

Mississippi Low-Income Child Care Initiative (MLICCI) is a statewide policy advocacy organization working to strengthen women's economic security in the state by making child care affordable for low-income working mothers, achieving gender and racial equity in the workforce and making the social safety net work for women. They have been key advocates on this crisis. An April 2025 MLICCI report, for example, exhaustively documents the impacts of state funding cuts on child care providers, working parents, and young children across the state (Mississippi Low-Income Child Care Initiative, 2025).

MLICCI's 20 year journey advocating in this space reveals an even deeper and more complex story, however: of systemic barriers, fractures in delivery, and misalignment between those designing policies and those impacted by them — dating back far before the conception of ARPA funds, only to be exacerbated by their expiration.

Only 15% of children eligible for child care subsidies in the United States actually receive them due to insufficient federal funding to states from the the Child Care and Development Fund (CCDF) (Urban Institute, 2025, p.23). This inadequate funding is compounded by the high cost of childcare, with the average family paying $11,582 for annual childcare, nearly 32% of a single parent's median household income (Urban Institute, 2025, p.23).

In Mississippi, the Child Care Payment Program (CCPP), operated by the Mississippi Department of Human Services (MDHS), is a subsidy program that offsets the childcare costs of low-to-moderate-income working parents. CCPP is funded primarily through the federal CCDF, and has experienced similar underfunding.

In November 2024, MDHS officials testified before a joint State legislative hearing that due to the insufficiency of CCDF funds following the expiration of ARPA funding, as many as 9,000 Mississippi children were expected to lose access to child care, citing the state's inability to subsidize their participation. By December 2025, the reality had surpassed even that projection: MDHS was maintaining a publicly reported waiting list of 19,390 families unable to access CCPP (Mississippi Low-Income Child Care Initiative, 2025, p.9).

Mississippi Has the Resources — A Question of Will

MLICCI advanced policy solutions through legislative testimony, public advocacy, and published policy frameworks. Among its most prominent recommendations, has been the use of Mississippi's unspent federal Temporary Assistance for Needy Families (TANF) funds to fill the gap left by CCDF shortfalls.

While Mississippi already transfers the federally allowed maximum of 30% of its annual TANF funds to the child care block grant, it has not utilized the separate TANF Direct Spending option — which would allow the state to spend an unlimited amount of current- and prior-year TANF funds directly on child care subsidies for working parents (Mississippi Low-Income Child Care Initiative, 2025b). In short, Mississippi has the ability to fully fund childcare subsidies if it chooses to.

Between 2019 and 2023, Mississippi's unobligated TANF balance quadrupled to $156.6 million more than twice the amount needed to fill the gap in childcare subsidies. (Mississippi Low-Income Child Care Initiative, 2025b). MLICCI has pointed to Ohio and Texas as states that have successfully implemented this dual-funding approach, with Ohio alone drawing 21.8% of its child care subsidy program funding from TANF direct spending in 2024 (Mississippi Low-Income Child Care Initiative, 2025b).

In response MDHS initially argued that they weren't allowed by federal regulation to braid federal TANF direct child care spending with CCDF spending as an additional revenue stream for the CCPP. Thus, an entirely new, parallel childcare program needed to be created in order to utilize federal funds. This was disproven by MLICCI's research. Such a system would create inefficiencies and limit effectiveness, and make it more difficult for families to access childcare supports. MDHS also argued that the State had far fewer unobligated TANF funds after accounting for awards to be made through a request for proposals (RFP) to support programs mitigating the childcare crisis. Yet, published awards from the RFPs amounted to less than 20% of the unobligated funds– leaving more than double the amount needed to fully fund subsidies. In May 2026, after more than a year and a half of MLICCI advocacy, the MDHS announced that it would pilot the option, exactly as outlined by MLICCI, setting aside $5 million of TANF funds. MDHS estimates that this will be enough to provide vouchers for an estimated 800 children, but still leaving about 6,000 families on the waitlist (Mississippi Today, 2026).

While much is left to develop, Carol Burnett, the executive director at MLICCI, reflected, "It's a development to celebrate because it sets something in motion that we can build on as we move forward. There was no way we could build on it until DHS agreed they could do it. And now that happened" (Mississippi Today, 2025).

A Two-Decade Fight, Won: Removing Unnecessary Barriers

MLICCI is a long-term advocate for the principle that child care is a necessity — not a luxury — and they have proven highly capable of maintaining the focus and building the power to advance access through a range of programmatic and policy solutions.

MLICCI's years of research has highlighted the direct relationships between child care access, workforce participation, educational attainment, and economic mobility, and has undergirded their advocacy work.

In addition to the recent TANF win, MLICCI's tenacity produced a major victory in 2023 that instantly increased childcare subsidy eligibility for thousands of families in Mississippi. In 2004, the state instated a child support enforcement requirement that forced mothers to prove an attempt at collaboration with an absent co-parent before they could qualify for child care assistance. On paper, the policy appeared neutral, even reasonable. In practice, it created impossible situations. As MLICCI's Employment Equity for Single Mothers (EESM) coaches were able to uncover through direct relationships with program participants, some mothers were required to navigate complex systems involving partners who were unreachable, deceased, or posed a direct threat to their safety.

Others simply could not comply due to the administrative burden of the process itself. While this rule had existed for decades and MLICCI was encouraged by many in the child care space to abandon the pursuit, in 2023 they saw this requirement repealed — instantly making 17,500 additional children eligible for the subsidy who had not been eligible before, through consistent research and advocacy over the course of 19 years.

More Than Advocacy: Staying Close to Lived Experience

For decades, MLICCI has kept a close eye on the lived experiences of parents, children, and providers, uncovering ways the CCPP is administered that create harm where it was designed to create relief. Rooted in complex bureaucratic processes and opaque rulemaking procedures, these challenges persist due to misalignment between agency direction and family needs. Advocates like MLICCI empower those most impacted by these policies and practices, to ensure their voices are heard and lead to meaningful change in the policies that affect them.

SHARE OUR STRENGTH'S PARTNERSHIP WITH MISSISSIPPI LOW INCOME CHILD CARE INITIATIVE

In 2022, the Family Economic Mobility (FEM) team at Share Our Strength partnered with MLICCI to document how systemic barriers impact single mothers and to demonstrate practical policy reforms and on the ground initiatives that improve access to child care subsidies. Expanding the scope beyond this initial purpose, MLICCI has demonstrated an exemplary tenacity, political savvy, and consistency to achieve wins for families at every available opportunity. In partnering with MLICCI, the FEM team discovered and invested in strategies and tactics with the potential to support change across key systems nationwide in the push for stronger political will and increased resources to design systems that center, support and strengthen families where they are.

FOUR STRATEGIES FOR ADVOCATES WHO ARE IN IT FOR THE LONG HAUL

Interviews with leaders at MLICCI yielded four key insights:

1. Know the lay of the land

Know Who Decides

A major key to successful advocacy is building a deep and nuanced understanding of the State's power structures in order to know who holds influence, who appoints those with influence, and what motivates them. Much of this information is not publicly available, and those in administrative roles are not necessarily the same as those with decision-making power. With each state being unique, it is essential that advocates get to know their state agencies and key staff, identify potential allies, and familiarize themselves with the rulemaking process.

Administrative Policy as an Arena for Change

In Mississippi, a significant portion of the general policy making process involves legislative dynamics, but child care policy is largely administrative in Mississippi.

Administrative policy is made by state agencies and tends to live in the policy manuals they create and update, determining how services, funds, and programs are managed and administered.

Because changes to these manuals often happen on a predictable cycle, knowing that timeline can reveal windows for advocacy.

For instance, proposed changes are typically preceded by a public comment period, and sometimes a formal petition process can be used to compel a public hearing. This information lives in places like the Secretary of State's administrative bulletin — not publicized broadly, but accessible to those who know to look. It is through awareness of such procedures that MLICCI finds their opportunities for change.

Consistency Builds Credibility

In Mississippi, child care subsidy policy is administered through the Department of Human Services, but the agency director is appointed by and answerable to the governor's office.

The State Early Childhood Advisory Council (SECAC)— composed entirely of gubernatorial appointees — makes recommendations to the governor on a wide range of early childhood-related policies. MLICCI's strategy has intentionally included engaging SECAC on issues related to child care subsidy and block grant policy, when such issues had not been the council's focus.

They practiced showing up to every Early Childhood Advisory Council and Office of Workforce Development meeting, not only when they had something to propose, but to learn the landscape and make their commitment visible over time. They take and publish meeting notes when the agency does not. They monitor the Secretary of State's bulletin for administrative changes. They request public data through the state's Public Records Act equivalent when they cannot rely on what agencies voluntarily provide. This level of institutional knowledge takes time to build and must be actively maintained — especially with changes of personnel and administrations.

While political turnover can easily be seen as a setback, it can also be seen as an opportunity to orient new leaders while perspectives tend to be more open and positions are just becoming established, even when ideologies remain the same. For example, when a new lead joined the Office of Workforce Development, MLICCI moved quickly to educate them on the connections between child care access and workforce participation — framing the issue in terms aligned with the new leader's priorities.

Turnover, in this sense, is not a signal of better times ahead or harder ones. It is a constant feature of the environment, and one that effective advocates learn to navigate as a matter of course.

For advocates in other states, the starting questions are: Is child care subsidy policy primarily administrative or legislative in your state? Who does the key decision-maker answer to — formally and informally? When are policy manuals updated, and how can you monitor for changes? What advisory bodies exist, who sits on them, and are you attending their meetings?

The National Women's Law Center's national assessments of state CCDF plans can serve as a useful starting point for understanding what your state is currently doing — and what it could be doing differently (National Women's Law Center, 2024).

2. Build the Case

The foundation of good advocacy is evidence — and with great advocacy, one takes a broader and more strategic approach than a standard research agenda.

A strong case is built by utilizing data at every level: federal statistics and national policy scans, state-level surveys, programmatic intake data, and the testimony of individual parents and providers.

The aim is not simply to document hardship, but to translate lived experience into something that can move policy, building an irrefutable record of what is happening and why it matters, in a form that different audiences can use.

When the Data Doesn't Exist, Create It

When data doesn't exist, practitioners can create opportunities to collect and analyze it themselves.

When the child support enforcement requirement was still in place and there was limited evidence of its impact, MLICCI built that evidence through their networks. They surveyed providers, quantified how many parents had been turned away due to the requirement, and documented the compounding barriers families faced. That report was ultimately used by a state administrator to justify the policy change internally: MLICCI's data helped him make the case to his agency's leadership.

Tracking progress and practices in other states is another powerful learning and communication tool. In the case of the child support requirement, MLICCI and research partners identified roughly a dozen states still enforcing it — finding that most states had already dropped it — and worked with partners at the organization Zero to Three, and the nonpartisan National Conference on State Legislatures (NCSL) to update a formal national scan that was conducted in prior years.

The finding that only few states still maintained this requirement reframed the issue from a local advocacy ask to a national outlier problem. Zero to Three subsequently published the first national policy brief specifically focused on the issue, broadening the conversation further (Zero to Three, 2022).

Don't Treat State Agencies as the Final Authority On Data

Credibility with decision makers requires knowing when the state's data is inaccurate or incomplete, and advocates working in this space should not default to treating state agencies as the final authority on data.

Mississippi policymakers, for instance, have at times reported figures on unobligated TANF balances that advocacy organizations, researchers, and media outlets have found to be inconsistent with federal reporting. The Public Records Act is a powerful tool to request underlying data directly, rather than relying solely on figures provided in hearings or public statements. Even after using this method, however, the need to verify the data remains, and often the need to correct it. Understanding the discrepancy — and why it exists — is itself a form of advocacy.

Know Your Audience and Package Information Accordingly

Presenting the data well matters as much as collecting it. MLICCI tailors the packaging for different audiences: detailed analytical memos for administrators who need depth and specificity to make an internal case; concise bullet points for legislators with limited time; and accessible summaries and social media-ready framing for broader public communication.

They also bring data directly to provider communities, hosting presentations with their Child Care Leadership Team (CCLT)--a network of more than 200 child care providers across the state, creating space for providers to ask questions, push back, and deepen their own understanding of the policy landscape they operate within.

Programmatic data is not to be undervalued, however, as it is equally important to the case. For example, data from MLICCI's Employment Equity for Single Mothers (EESM) program indicating that average wages for EESM graduates are higher than the overall average for single mothers in Mississippi, and that 80% of bridge program graduates remain employed, demonstrates in concrete terms what removing barriers and providing comprehensive support produces.

Findings like these, paired with stark statistics on single-mother poverty rates and employment– particularly that single moms in Mississippi work at rates higher than any other family configuration, yet carry the highest poverty rates of all families– make the compelling case that the policy changes MLICCI advocates for are worth pursuing.

For advocates and practitioners seeking to build stronger cases in their own states, the starting questions are: What barriers or opportunities consistently emerge in your work– and are you systematically documenting them? What data already exists publicly, and where are the gaps? How can programmatic data, lived experience, surveys, and policy research be combined to tell a more complete story? What information do leaders and members of the public need to understand the problem and the feasibility of the solution? Does your data merely document hardship, or does it help create the political and administrative conditions for change?

3. Build Strategic Coalitions

Know Which Voice Opens Which Door

Power mapping – understanding not just who makes decisions, but who influences decision-makers – is central to identifying the most effective messengers for advocacy at any given moment. In addition to knowing the key players in a space, and those players need to know to enact change, one must know which key allies are best positioned to represent the issue in any given moment.

In its work on its effort to eliminate the child support requirement, for example, MLICCI analyzed who could serve as a messenger that both the Department of Human Services and the governor's office would listen to.

They recognized that the child care centers and families most directly harmed by the status quo were not always the voices particular decision-makers were positioned to receive. Thus, they worked outward, asking who influenced those decision-makers, and built relationships from there. Consequently, MLICCI brought in a business-affiliated law firm to produce a legal memo demonstrating that the requirement was not mandated by state law, a messenger and a format that agencies took seriously in ways they might not have with the same argument coming from advocacy organizations alone.

The Economic Case That Crosses Ideological Lines

For child care as a workforce issue, MLICCI engaged business leaders, employers, and the Office of Workforce Development — constituencies who care about whether working parents can show up reliably for their jobs, regardless of their broader views on public benefits.

These are not unexpected allies for MLICCI, which has long understood the connections between child care access and workforce outcomes. However, having business voices and workforce development leaders carry the message created openings that would have been harder to create otherwise.

This is why, for instance, the Employment Equity for Single Mothers program was intentionally designed to engage employers and workforce leadership. The economic mobility case for child care is not only a social argument, but a business and workforce argument that reaches across ideological lines, and MLICCI set out to prove this by bringing business leaders to the forefront.

Staying in Relationship Through Disagreement

Managing disagreement within coalitions is also part of the work. MLICCI has at times found themselves at odds with peers in the child care advocacy space — particularly when quality improvement mandates were advanced without the resources needed to make them feasible for providers. Unfunded mandates, however well-intentioned, often lead to inequitable outcomes. This is highlighted by MLICCI's survey of childcare providers who shared their feedback on the Quality Support System (QSS), which requires participation in the Classroom Assessment Scoring System (CLASS) to be eligible to participate in CCDF. Providers reported that the system put them at risk of losing funding for failure to comply, despite the fact that already existing reductions make quality related requirements harder to meet.

Several centers cite staff reductions and turnover as worsening the student-teacher ratio and increasing untrained staff, which then worsens reported quality and increases risk of ineligibility to participate in quality monitoring and, subsequently, to receive child care subsidies.

Providers viewed funding the newly established QSS as diverting already limited funds to monitoring and enforcing quality, as opposed to directly funding what supports quality. By funding wages for monitors and contracts for administering, implementing and evaluating QSS in the face of insufficient funding for vouchers that fund center operations, the system not only leaves the root issue unaddressed but punishes centers for it further downstream (Mississippi Low-Income Child Care Initiative, 2025, p.32).

Thus, a system that purports to promote quality childcare for those who need it most, in practice has a greater tendency to penalize those most needing support and reward those who already have the means to achieve it. MLICCI has held this position even when it placed them in tension with allies, communicating their reasoning clearly and staying in relationship rather than walking away from coalition. The key discipline is selectivity about who leads at any given moment. A coalition partner with strong relationships in conservative networks may be the most effective voice in one context; a provider who has operated a center in a rural community for thirty years may be the most compelling voice in another.

For those seeking to build strategic coalitions in their own contexts, the start questions are: Who are the decision-makers you need to influence, and which voices, institutions, or constituencies are they most likely to trust or respond to? Which allies are best positioned to carry the message in a given political moment? How will you navigate moments of disagreement within the coalition while remaining aligned around long-term goals and relationships?

4. Maintain Persistence and Adapt Strategy

A Marathon, Not a Sprint

Pursuit of a vision with the spirit of a marathon as opposed to a sprint is embodied in MLICCI's journey, and affirmed by their victories. The effort to remove the child support enforcement requirement did not unfold over months. It took nearly two decades. During that time, there were moments when the issue seemed settled — not because it had been resolved, but because stakeholders had adapted to it.

Some providers and fellow advocates began to view the requirement as an unavoidable part of the system. MLICCI was told at various points that their efforts were futile, but they persisted. They continued gathering evidence, building relationships, and refining their approach, even when change did not seem imminent or likely. MLICCI used every available opportunity — public hearings, research reports, media coverage, national partnerships — to keep the issue visible.

And one week just like any other, MLICCI got the alert that the requirement was lifted, instantly expanding access to child care for families who had been locked out for years.

Adaptability was critical to MLICCI's success. Over nineteen years, the organization shifted tactics, messengers, and framing repeatedly as the political moment demanded. There were times to intensify its efforts — releasing a report, securing national media coverage, organizing providers for a public comment period. There were times to moderate its tone, recognizing that not every moment is the right moment for every approach, and that calculating what will actually move toward the goal is a more productive discipline than performing advocacy. Staying connected to families and providers is what makes that calibration possible: it keeps the advocacy grounded in real stakes rather than abstract positions.

Stay Connected to What's at Stake

The aspiration that guides this calibration is constant: protect the interests of low-income parents and the providers who serve them. In Mississippi, half of the state's children live in households headed by a single parent, the majority of them single mothers (Annie E. Casey Foundation).

These mothers are overwhelmingly working, more so than other parents, yet they face some of the highest poverty rates, often in jobs shaped by gender and racial occupation segregation that limits their wages. As they work to support their children, MLICCI works to support them. Additionally, most child care providers are women who built their centers in response to community needs they saw going unmet, and who serve as trusted information sources and informal navigators for the families in their programs. MLICCI works to support these community pillars as well.

"Remaining connected to these on the ground realities is," as MLICCI's Carol Burnett puts it, "what keeps advocates in the fight long enough to win it."

For organizations seeking to apply these lessons, the practical implications are: build authentic and sustained relationships with those most impacted before you need them for a campaign. Design feedback mechanisms that bring programmatic learning into your policy agenda continuously, not only at the start of an advocacy cycle. Be honest with yourself — and your allies — about when a tactic is working and when it needs to change. And accept that the most important wins may take longer than any single grant cycle, funder relationship, or organizational strategic plan.

THINKING TOWARD THE FUTURE AS FUNDERS, INNOVATORS, AND ADVOCATES

The lessons of MLICCI's work in Mississippi extend beyond any single policy win.

They point toward a set of conditions and practices that funders, innovators, and advocates elsewhere can cultivate in their own contexts.

FOR ADVOCATES WORKING IN STATES WITH CHALLENGING ADMINISTRATIVE OR LEGISLATIVE ENVIRONMENTS, MLICCI experience offers a clear message: constrained conditions are not the same as closed conditions.Administrative policy remains an arena for change even when legislative wins are out of reach. The key is knowing where that arena is, who has authority within it, and what windows exist for public input and engagement. All of this guides when and how change is possible.

FOR STATES LOOKING TO EXPAND CHILD CARE ACCESS WITHOUT WAITING FOR NEW LEGISLATION, MLICCI points to two immediately available federal revenue strategies. The first is expanded use of federal TANF funds through Direct Child Care spending to support working families — an approach successfully implemented by Ohio, Texas, and at least fourteen other states during federal fiscal year 2023 (Mississippi Low-Income Child Care Initiative, 2025b), and now being piloted in Mississippi as of May 2026.

The second is increased participation in the federal Child and Adult Care Food Program (CACFP), which provides federal reimbursements for qualifying food costs to eligible child care centers and could significantly expand provider revenue if administrative barriers to participation were reduced (Mississippi Low-Income Child Care Initiative, 2025).

Before launching a new advocacy campaign or pursuing new funding, advocates in any state would benefit from asking whether the resources and flexibility already available are being fully used. Is your state maximizing its TANF-to-CCDF transfer? Is it using TANF Direct Spending on child care at all? Are providers in your state fully participating in CACFP? What does your state's most recent CCDF plan say — and what could it say? These are starting points for identifying opportunities without waiting for new policy windows to open.

FOR FUNDERS AND ORGANIZATIONAL PARTNERS, the MLICCI model has specific implications. Funding long timelines is not optional for this kind of work — the child support enforcement campaign took nineteen years. Funding the connective tissue between direct service and advocacy — the EESM program, the provider surveys, the case manager relationships — is funding systems change, which does not happen overnight.

Valuing the kind of political sophistication that knows when to stay quiet, when to shift messengers, and when to work through unexpected allies requires funders who understand that what may appear to be inaction at times is actually strategic restraint.

Furthermore, supporting the creation of data that doesn't yet exist, such as surveys, policy scans, outcome analyses, is funding the infrastructure that makes advocacy credible over the long run.

The child care crises documented in Mississippi and around the nation are not inevitable. MLICCI's own framing of it is instructive: it is the result of policy choices, and it is solvable through targeted, evidence-based investment and persistent, broad-based, and context-specific advocacy. What MLICCI has demonstrated over more than two decades is that those solutions are reachable — if you know your terrain, build your case, find your messengers and allies, and stay in the fight.

STATE AND FEDERAL POLICY OPTIONS

The TANF Direct Spending and CACFP levers mentioned above are just two of the options available to advocates looking to advance child care improvements. Many states have explored innovative child care interventions in recent legislative cycles, while a few states enacted some of the largest child care expansions in their history, even as the federal landscape has become less favorable. This section maps the broader landscape so advocates can get a better sense of the full scope of policy options available to them.

Recent Developments Affecting State Child Care Advancement

Several developments in recent months have reshaped the federal environment for state child care programs. The first was the Department of Health and Human Services' May 2026 final rule, "Restoring Flexibility in the Child Care and Development Fund (CCDF)" (Department of Health and Human Services, 2026), which takes effect in July. The rule makes several changes to the CCDF program: it eliminates the cap on family copayments at 7 percent of family income, rescinds the requirement that states pay providers based on enrollment rather than attendance, rescinds the requirement that states pay providers prospectively rather than after services are delivered, and rescinds the requirement that states use some portion of CCDF funds for direct services through grants or contracts.

As a result of this rule, states are no longer required to maintain these practices, but they may continue them voluntarily. Thirty-one states and the District of Columbia have already brought their copayments at or below 7 percent of family income before the rescission was finalized; twenty-two states had moved to enrollment-based payment by fall 2024 (National Women's Law Center, 2025). The rule shifts the advocacy ask for state level organizations from "implement federal requirements" to "preserve state authority to maintain what was working."

The second development is the fiscal pressure created by H.R. 1, which imposed roughly $990 billion in Medicaid and CHIP cuts and $295 billion in SNAP (KFF, 2025). While these cuts do not target child care programs directly, they shift substantial costs onto state budgets. Every dollar a state must absorb to backfill federal Medicaid cuts is a dollar not available for child care expansion. Since pandemic-era stabilization funds expired in September 2024, Indiana has cut reimbursement rates 10 to 35 percent (Indiana Capital Chronicle, 2025), and Arkansas, Colorado, Maryland, and New Jersey have closed or frozen intake. Virginia has announced a special legislative session this fall to address the implications.

The combined effect: state systems are under pressure as federal expectations weaken.

Third, some federal child care funding is being leveraged by the administration to push fraud enforcement. In December 2025, HHS froze all child care payments to Minnesota and activated a nationwide "Defend the Spend" system after unverified claims of fraud in child care centers gained significant attention (Child Care Aware of America, 2026).The Administration for Children and Families now requires states to meet onerous documentation requirements before federal CCDF payments are released. The practical effect has been federal funds delays in many states, including red states, as agencies scramble to document spending in formats the federal government has not clearly defined.

A small number of blue states have been hit hardest. In January 2026, HHS restricted roughly $10 billion in funding for California, Colorado, Illinois, Minnesota, and New York, citing the "potential for extensive and systemic fraud" along with concerns that benefits had reached ineligible noncitizens (Administration for Children and Families, 2026). The federal government has not substantiated these claims and litigation is ongoing. For all advocates, the heightened federal scrutiny requires that your state agency can document CCDF spending cleanly and quickly, because the "Defend the Spend" regime makes administrative readiness a precondition for getting appropriated money out the door.

States Still Have Opportunities to Improve Child Care Programs

Expanding Income Eligibility and Reducing Family Costs

Federal law permits states to set income eligibility for child care assistance up to 85 percent of state median income, though many states have eligibility thresholds well below that. As of February 2024, twenty-one states set income eligibility at or below 200 percent of the federal poverty level, and four more set it at or below 150 percent of the FPL (National Women's Law Center, 2025). These low income eligibility threshold restrict child care availability for many middle income families, though several states have increased eligibility in recent years.

Vermont extended income eligibility to 575 percent of the FPL (Child Trends, 2026), among the highest in the country. New Mexico went even further, becoming the first state to adopt universal, no-cost child care (Office of the Governor of New Mexico, 2026).

Eligibility itself is only one barrier. The 2024 federal cap on family copayments at 7 percent of income was rescinded in May 2026, but states retain full authority to maintain that cap or set lower thresholds. California eliminated copayments for families under 75 percent of state median income and capped them at 1 percent of income above that.

Vermont eliminated copayments for families at or below 175 percent FPL beginning in 2024 (Child Trends, 2026). Minnesota's 7 percent cap takes effect in 2028 regardless of federal posture. For families above eligibility thresholds, graduated phase-outs rather than cliff effects can prevent the loss of all assistance the moment income rises modestly. Presumptive eligibility allows families to begin receiving assistance while applications are processed.

States may also increase access by ensuring continuity of care in the event of employment changes. Federal law requires twelve-month eligibility periods regardless of temporary income or employment changes, but states can extend further. All states now allow families to continue receiving assistance while a parent searches for a job, but only 21 states allow families not already receiving assistance to initially qualify during job search (National Women's Law Center, 2025).

This creates significant problems for parents trying to return to work or transition between jobs, the type of administrative misalignment MLICCI has documented for years in Mississippi's CCPP. Broadening initial eligibility to include active job search is a low-cost reform with measurable impact on workforce participation.

Stabilizing the Provider Business Model

Provider reimbursement rates determine whether subsidized care reaches families. Federal guidance recommends rates at the 75th percentile of market rates, enough to allow subsidized families access to three of every four providers.

Only eight states met that benchmark for all ages and care types as of February 2024, down from seventeen states in 2023 and twenty-two in 2001 (National Women's Law Center, 2025). Some states have moved from market rate surveys to cost estimation models that calculate what quality care actually costs to provide.

The District of Columbia, New Mexico, and Virginia have implemented cost estimation, while California and Minnesota enacted legislation requiring development of such methodologies. Kentucky passed legislation this year (Kentucky Chamber of Commerce, 2026) that shifts the state's subsidy basis from market rate to community-level cost. The Kentucky bill emerged from a business-led, explicitly bipartisan coalition, which is instructive for advocates.

In addition to reimbursement rates, payment stability is also crucial. Twenty-two states and the District of Columbia have moved to enrollment-based payment, paying providers based on a center's number of enrollment slots rather than daily attendance.

Massachusetts research showed centers received subsidy payments nearly 14 percent higher under enrollment-based payment than attendance-based, and centers receiving enrollment-based payments were more likely to stay in business (New America, 2021).

The May 2026 federal rescission removes the requirement to use enrollment-based payment, but states with the practice in place can continue. For states that have invested in enrollment-based payment, the choice in the coming budget cycle will be whether to maintain it through state action now that federal pressure has been removed.

Maximizing TANF Beyond the Transfer Cap

Unobligated TANF balances unspent on child care lead to unnecessary provider closures, families losing care, and workforce participation falling. MLICCI has established the case for TANF Direct Spending in Mississippi and elsewhere, but only twenty-seven states transferred TANF funds to CCDF in fiscal year 2023, totaling approximately $1 billion (Bipartisan Policy Center, 2026). Unobligated TANF funds can provide significant support for state child care systems.

Ohio drew nearly 21.8 percent of its child care subsidy program funding from TANF Direct Spending in 2024 (Policy Matters Ohio, 2025) and at least fourteen other states used some level of TANF Direct Spending in FY2023.

For states with substantial unobligated TANF balances, the mechanics are straightforward. States may transfer up to 30 percent of TANF funds into CCDF. The trade-offs involve other TANF priorities, but in many states the redirected funds would represent a net increase in resources actually reaching working families. The opportunity is open in nearly every state.

Investing in the Workforce That Makes Care Possible

Median wages for child care workers nationally are $15.41 per hour (Bureau of Labor Statistics, 2024), with Black and Latina workers often paid less. The workforce constraint is the most binding limit on supply expansion in nearly every state. States can address compensation through the federal CCDF quality set-aside, which can fund wage supplements, scholarships, retention bonuses, career ladders, and benefits support.

One specific, bipartisan intervention has emerged recently: providing free child care to child care workers themselves. Iowa recently made its program permanent, while Kentucky recently passed a similar program (Kentucky Chamber of Commerce, 2026).

Michigan operates an income-unlimited pilot serving 900 families and 1,500 children. These programs ensure that child care workers are not priced out of their career because they cannot afford child care for their own children. For organizations with limited opportunities in the current cycle, this could be a lower-cost, bipartisan legislative priority.

Connecticut has created a system that combines wage parity with public school teachers and comprehensive health insurance subsidies for child care workers statewide, funded through the state's Early Childhood Education Endowment.

Vermont is considering creating the nation's first state-licensed early childhood education profession, with credentialing and compensation comparable to nursing or teaching. Tennessee has expedited licensing and eliminated redundant inspections, and authorized high school students to work in licensed child care centers as a workforce pipeline. New Mexico uses enhanced reimbursement rates conditioned on providers paying $18 to $21 per hour to entry-level staff. There is a broad array of policy options open to advocates in the workforce support space.

Building Supply Where It's Missing

Most states fund child care assistance through vouchers that families use to pay providers of their choice. Direct funding to providers to maintain specific slots through grants and contracts provide more stable revenue but currently reach fewer providers. This type of funding arrangement is typically used to guarantee child care slots for infants and toddlers, in child care deserts, or for families with non-traditional work hours. Currently only ten states use any grants or contracts for direct services, and only six states support more than five percent of children this way (Department of Health and Human Services, 2026).

The May 2026 federal rescission removes the requirement to use any grants and contracts but does not prohibit the practice. Connecticut's Child Care Facilities Grant Program ($80 million in bonds for construction and renovation), New York's $110 million for facilities in child care deserts, and New Mexico's Child Care Revolving Loan Fund are some current state-led models. Kentucky recently authorized a new "micro-center" licensure category designed to ease entry into the market and address gaps in third-shift and drop-in care.

Federal Legislative Pathways Still Worth Pursuing

The federal environment has narrowed but not vanished. Several bipartisan measures have moved further in 2026. The SEED Act, which would extend the federal educator expense tax deduction to early childhood educators, passed the U.S. House of Representatives in April with bipartisan support. The CARE for Parenting Students Act, introduced in May, would expand CCDF eligibility for parents in job training and apprenticeship programs.

The Child Care Workforce and Facilities Act creates competitive grants for workforce development and facilities investment in child care deserts. The Affordable Child Care Act, reintroduced in February 2025, expands existing tax credits.

Beyond these targeted bills, the CCDBG Act technically expired in 2020 and continues to be funded through annual appropriations. A full reauthorization could update eligibility provisions, payment rate methodologies, continuity-of-care requirements, and workforce development funding. Senator Deb Fischer (R-NE) introduced reauthorization legislation in 2024 with bipartisan cosponsors. The legislation is not currently moving but is the most plausible reform vehicle when Congress is willing.

The Child Care for Working Families Act remains the more transformative vehicle, with state-federal partnerships to expand eligibility, reduce copayments, fund new facilities, and support workforce wages and benefits. None are enactable now. Keeping the capacity to push them when conditions shift is the long-term work.

REFERENCES

- Administration for Children and Families. (2026). HHS Freezes Child Care and Family Assistance Grants in Five States for Fraud Concerns. U.S. Department of Health and Human Services (January 6, 2026).
- Bipartisan Policy Center. (2026). Child Care and Development Fund: CCDBG and CCES, Explained.
- Bureau of Labor Statistics. (2024). Childcare Workers, Occupational Outlook Handbook. U.S. Department of Labor.
- Child Care Aware of America. (2026). UPDATE: Child Care Aware of America on Potential Child Care Funding Freeze and Reports of Fraud.
- Child Trends. (2026). Vermont's Child Care Subsidy Program Expands Access and Reduces Cost.
- Department of Health and Human Services. (2026). Restoring Flexibility in the Child Care and Development Fund (CCDF), Final Rule. Federal Register, 91 FR 21215 (May 12, 2026).
- Indiana Capital Chronicle. (2025). Indiana slashing rates for child care providers.
- KFF. (2025). Allocating CBO's Estimates of Federal Medicaid Spending Reductions Across the States: Enacted Reconciliation Package.
- Kentucky Chamber of Commerce. (2026). General Assembly Passes Child Care Reform Legislation to Support Working Families. Kentucky Chamber Bottom Line.
- Mississippi Low-Income Child Care Initiative. (2025). When Child Care Funding Falls Short: How CCPP Revenue Cuts Are Impacting Mississippi Providers and Families.
- Mississippi Low-Income Child Care Initiative. (2025b). Preventing the Looming Child Care Subsidy Crisis in Mississippi: Investing Federal Temporary Assistance for Needy Families (TANF) Funds in Child Care Assistance for Working Families.
- Mississippi Low-Income Child Care Initiative. About MLICCI. www.mschildcare.org
- National Women's Law Center. (2023). Child Care and Development Fund: State-by-State Analysis. nwlc.org
- National Women's Law Center. (2025). Decision Point: State Child Care Assistance Policies 2024. nwlc.org
- New America. (2021). Make Child Care More Stable: Pay by Enrollment.
- Office of the Administration for Children & Families. (2024). Child Care and Development Fund (CCDF) Program. U.S. Department of Health and Human Services.
- Office of the Governor of New Mexico. (2026). Governor Lujan Grisham signs nation's first universal child care law.
- Policy Matters Ohio. (2025). How Ohio (under) funds childcare.
- Urban Institute. (2025). Policy Levers to Support Single Mother Economic Mobility. Urban Institute.
- Zero to Three. (2022). Hurting Families That Need It Most: How Child Support Cooperation Requirements in Child Care Subsidy Programs Harm Low-Income Families. zerotothree.org

ACKNOWLEDGEMENTS

This playbook was made possible through the generosity, expertise, and partnership of the many individuals and organizations who contributed their time, knowledge, and experiences.

We extend our deepest gratitude to **CAROL BURNETT**, Executive Director of the Mississippi Low-Income Child Care Initiative (MLICCI), and **MATT WILLIAMS**, Director of Research at MLICCI, whose decades of advocacy, research, and leadership laid the foundation for this work. Their willingness to share lessons learned, strategic insights, and reflections on both successes and challenges made this playbook possible.

We are equally grateful to the broader **MLICCI TEAM** for their unwavering commitment to advancing equitable child care policy and economic opportunity for families across Mississippi, and for their partnership in documenting lessons that can strengthen advocacy efforts nationwide.

This playbook was also made possible by the **FAMILY ECONOMIC MOBILITY TEAM AT SHARE OUR STRENGTH** who championed this work and supported its development and dissemination. In particular, **PARKER COHEN** graciously shared his leadership and editorial guidance throughout the project; and **KAYLA WILLIAMS** and **ZACH TILLY**, co-authored this playbook through interviews, research synthesis, and policy analysis.

MOST IMPORTANTLY, WE THANK THE CHILD CARE PROVIDERS, SINGLE MOTHERS, FAMILIES, ADVOCATES, AND COMMUNITY LEADERS whose experiences continue to shape a more equitable child care system.

Their voices remind us that meaningful systems change begins by listening to those most affected.

We hope this playbook serves as a resource for advocates, practitioners, funders, and policymakers working to build child care systems that better support families and expand economic opportunity.