

# SOLUTIONS TO DELAWARE'S CHILD CARE CRISIS

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## What Can Delaware Do and How Can We Learn from Other States?

Delaware families and employers agree that child care should be a priority for policymakers—it's hard to find and afford for families, and it's harming Delaware's employers and our economy. Delaware can learn from other states and adapt solutions to meet Delaware's needs—we identified the opportunities below and which policymakers can act to implement these solutions.

### Expand Access to Care

Challenges	Delaware: Current State	Other State Models	Solutions: Ask Policymakers to Act	Who to Ask
Non-Traditional Hours Care: Virtually no care is available during evenings and weekends.	The state <a href="#">committed to putting these in place</a> as of fall 2025, yet nothing has been announced.	<a href="#">17 other states pay more for non- traditional care</a> , often defined as 6 p.m. to 6 a.m. and weekends, with incentives ranging from 5-35% more.  Pennsylvania offers child care programs 25% more for non-traditional care.	Implement incentives for providers  to offer nontraditional hours.	General Assembly  DHSS
Increase Access by increasing Income Eligibility:  Many families earn too much to qualify for subsidies, but far too little to afford care.	Delaware only offers public programming to families who earn up to <a href="#">200% of the Federal Poverty Level</a> (\$64,500 for a family of four), ranking <a href="#">43rd nationally</a> and reaching only 1 in 5 children.	42 states make public early care and education available to more families than Delaware. ( <a href="#">Urban Institute</a> , <a href="#">NIEER</a> ).  New Mexico provides free care for all children ages 0-5. Connecticut provides free care to all families making less than \$100,000.  Vermont provides state funded programming to families up to 575% FPL, and Virginia provides up to 400%.  <a href="#">20 states have created funds</a> and dedicated specific new or expanded revenue to support expansion.	Raise income eligibility for state-funded care.	Governor  General Assembly
Families' payments don't scale as income increases.	Delaware families can stay on state-funded care for up to a year <a href="#">if their income does not go over 300% FPL or \$96,000</a> . However, any family between 150-300% FPL pays 7% of their income in copays. When income reaches 300%, families pay 25%+ of their income, creating a cliff.	<a href="#">New Jersey</a> , the <a href="#">District of Columbia</a> , and <a href="#">Virginia</a> all use sliding fee, income-based scales to determine the copayment for families, starting at .5% and increasing slightly as income goes up.  <a href="#">Most states have lower copayment amounts</a> and/or caps on the amounts families pay, and variable rates for part time care.  New Mexico and Connecticut do not require any copayment, and other states make families eligible who make more.	Ease the benefits cliff by adjusting the family copayment and income eligibility.	Governor  General Assembly  DHSS

## Increase Supply of Care

Challenges	Delaware: Current State	Solutions: Ask Policymakers to Take Action  ** - No cost associated	Other State Models	Decisionmakers
Low wages and limited benefits for child care workers	Delaware invests at the 50th percentile of the <a href="#">2024 Market Rate in child care</a> ; programs are paid at the mean of what child care providers charged in 2023. These <a href="#">rates do not cover increasing costs, and only about half of quality care.</a>	Invest more state dollars so child care staff can earn livable wages and benefits.  A <a href="#">2024 study</a> showed that the state would need to pay 95-150% more to cover living wages and benefits for child care workers.	<a href="#">10 states have been approved to use a cost estimation methodology</a> when setting rates to pay for child care; Delaware currently has a cost methodology but continues to rely on the Market Rate Study when setting rates paying at cost of care  20 states have created <a href="#">dedicated funds</a> to support early care and education.	Governor General Assembly
Outdated Child Care Licensing Process	<a href="#">Child Care licensing</a> and <a href="#">background checks</a> are still done in a paper process.  On-site inspections require review of paper files and significant staff time.	Expedite process underway to modernize licensing and background checks.  Move to a system where paperwork is reviewed electronically in advance**	State licensing systems can link documentation to the Child Care Management Software (CCMS) programs use to operate their businesses to eliminate paperwork and make compliance more efficient-- for example, <a href="#">Kentucky</a> , <a href="#">Iowa</a> , and <a href="#">Colorado</a> .	Department of Education (DOE)
Overly burdensome child care licensing rules	<a href="#">Regulations</a> are long and include duplication.	Reduce overall number and streamline regulations while maintaining quality  Remove requirement for duplicative on site tests and inspections in school locations.  Allow flexibility for multi-age groups and classrooms**  Avoid deregulation that compromises the safety and health of children	Several states, including Indiana, Minnesota, Kansas, among others, have reviewed licensing rules with an eye to making the process simpler and easier for providers—including exploring mixed age classrooms in centers.  <a href="#">Missouri</a> and <a href="#">California</a> consider school-based child care to be in compliance with physical requirements for school-age children, <a href="#">Virginia</a> does the same for preschool and older. Other states do not require duplicative fire marshal and building safety inspection tests for child care programs in schools that have already passed these inspections.	General Assembly  DOE

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Limited Infrastructure to Efficiently Manage Overhead	Providers lack infrastructure to support fiscal management, HR, technology shared services and face barriers to share substitutes across sites.	State agencies can incentivize and directly invest in shared services  Update background check policies to enable sharing to create a substitute pool **	<a href="#">Virginia</a> , Indiana, and Louisiana enabled sharing of background checks to create substitute pools, and some states—including Colorado, South Carolina, Mississippi, Minnesota, and Oregon—invest in the pools directly.  18 states have <a href="#">invested in Child Care Management Software</a> for providers, and many offer linked business coaching. 38 have invested in <a href="#">ECESharedResources</a> , which supports bulk purchasing and access to a host of business tools and resources. Others including New Jersey, Wisconsin, Maine, Georgia, Nebraska have invested in Shared Service Hubs specific to early care and education.	General Assembly  DOE
Limited start-up capital or capacity building funds	Providers are <a href="#">treated like other businesses and nonprofits</a> for start-up and capacity building funds, with very limited grant funds.	Provide financial tools, and leverage existing resources—including low-interest loans, start-up grants, and infrastructure funds  Make child care an industry of interest for state business development funds **	The <a href="#">Early Childhood Grant Fund in Illinois</a> assists early childhood education centers in schools and nonprofits with renovation, expansion, and improvement of their facilities.	Governor  General Assembly
Multi-family housing rarely includes child care	<a href="#">Demand far outstrips supply</a> , with ratios as high as 6 children for every available spot in some parts of Delaware, and an average of 2 children for every spot.	Award extra points in Low-Income Housing Tax Credit projects that include on-site child care **		State Housing Authority
Disjointed funding streams	Child care programs have to <a href="#">work with several agencies</a> , regulations, and funding requirements to secure public funding.	Consolidate pre-K and child care funding into a single agency to create efficiencies.	<a href="#">22 states</a> have pre-k and child care programs and <a href="#">funding consolidated into a single agency</a> .	Governor  General Assembly

## Resources and Get Involved:

To read more on what Delawareans are saying about child care, and how you can make a difference, [click here](#).