



State of Oklahoma Child Care :

Instability, Solutions and Legislation



Licensed Child Care
Association



INTRODUCTION

Oklahoma's child care system is at a critical point. Providers are working to meet the needs of working families while facing rising operating costs, workforce challenges, and policies that often do not reflect the realities of operating a child care small business.





DEFINITIONS

Slot

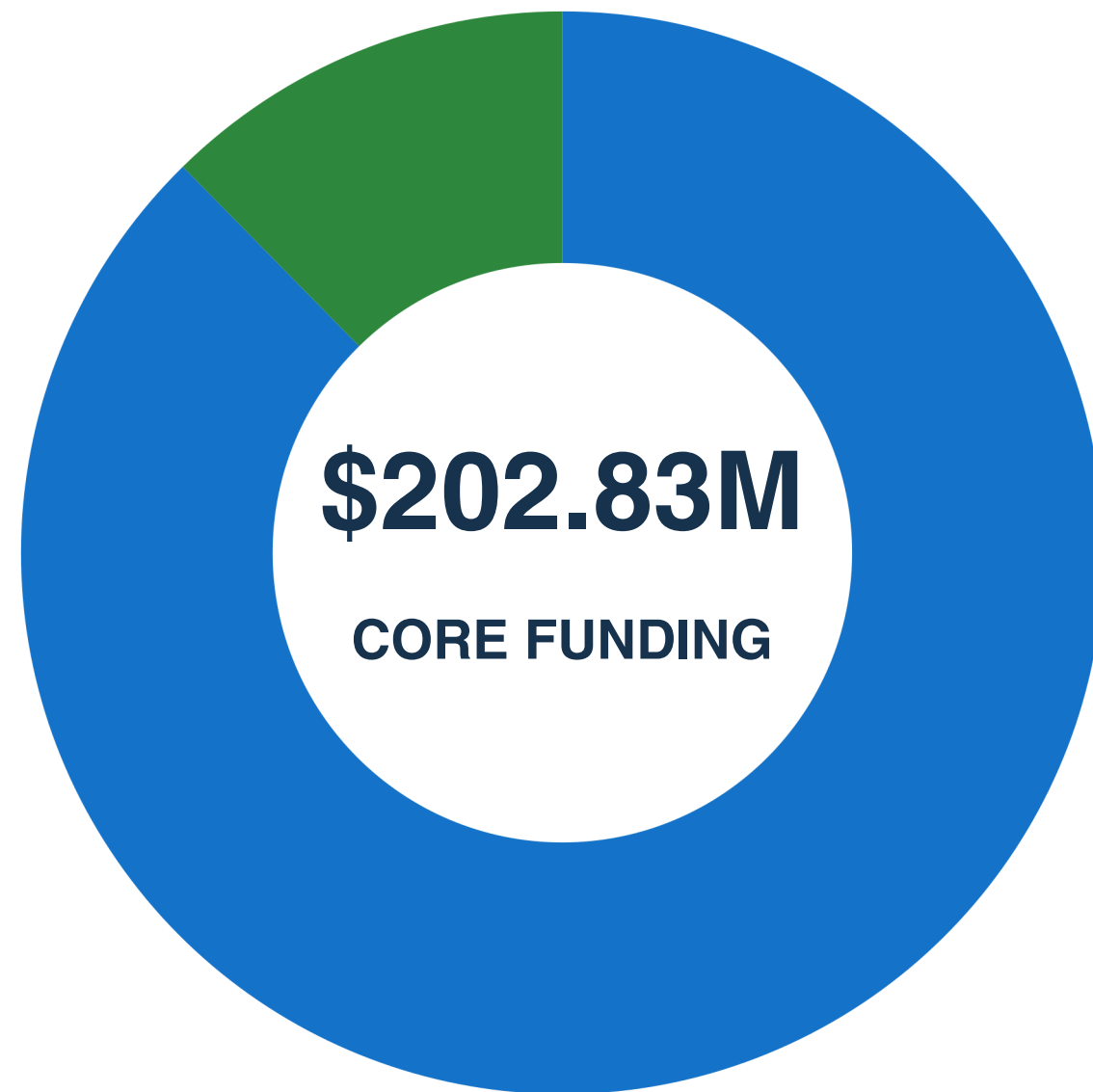
A child care slot is an assigned space for one child in a licensed child care program. The number of slots a provider can offer is limited by the facility's licensed capacity, classroom space, staffing, and required child-to-teacher ratios. All slots must be income producing

Absent Day Pay

Absent day pay is reimbursement to a child care provider for an enrolled child's authorized space when the child is temporarily absent.

Oklahoma Core Child Care Funding

Federal CCDF + Required State Contribution • FFY 2026 • Before TANF



Who provides the core funding?

\$177.74M **FEDERAL**
Regular CCDF funds
• 87.6%

\$25.08M **STATE**
Required contribution
• 12.4%

\$177.74M + \$25.08M = \$202.83M

**CORE CHILD CARE FUNDING
BEFORE TANF**

TANF IS ADDITIONAL

Federal TANF dollars used for child care are not included in the \$202.83 million core total above.

Child Care Instability



- **Unpredictable Subsidy Payments**
- **Absent-Day Policies**
- **School-Age Funding Gaps**
- **Changing Eligibility Policies**
- **Policy Changes Without Transition Time**
- **Lack of Predictability**
- **Reimbursement vs. Actual Cost**

These Costs Don't Disappear When a Child is Absent

A child's spot is reserved, and our expenses remain the same — whether they attend or not.
Providers must keep the program open, staffed, and ready every day.



STAFFING

Teachers, aides, directors, and support staff must still be paid, regardless of attendance.



FACILITY COSTS

Rent or mortgage, utilities, cleaning, maintenance, and repairs continue every day.



INSURANCE

Liability, property, vehicle, and workers' compensation insurance premiums are fixed costs.



MEALS & SNACKS

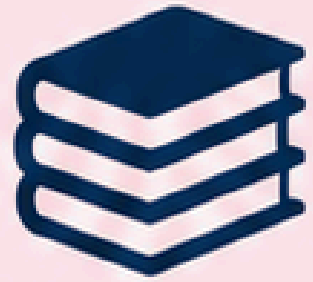
Food program participation, meal planning, ordering, and kitchen operations continue regardless of daily attendance.



TRANSPORTATION

(School-Age Programs)

Vehicles, fuel, maintenance, insurance, and drivers must remain in place to pick up and transport all enrolled children.



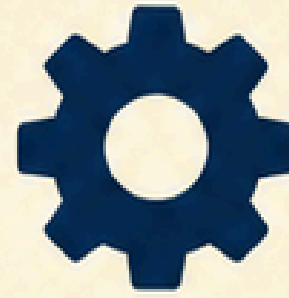
CURRICULUM & SUPPLIES

Lesson materials, classroom supplies, toys, and enrichment resources are purchased for enrolled children.



LICENSING & REGULATORY COSTS

We must maintain licensed capacity, meet state-required ratios, and stay in compliance — whether a child is present or absent.



ADMINISTRATIVE OPERATIONS

Enrollment, billing, parent communication, record keeping, software systems, and other administrative functions continue daily.



THE CHILD'S SLOT IS RESERVED

We cannot fill that spot with another child for just one day, as we must maintain required ratios and honor the enrolled family's place.



BE PREPARED FOR CHANGES

We must be ready for full-day care on school holidays, breaks, and unexpected closures, which requires consistent staffing and resources.

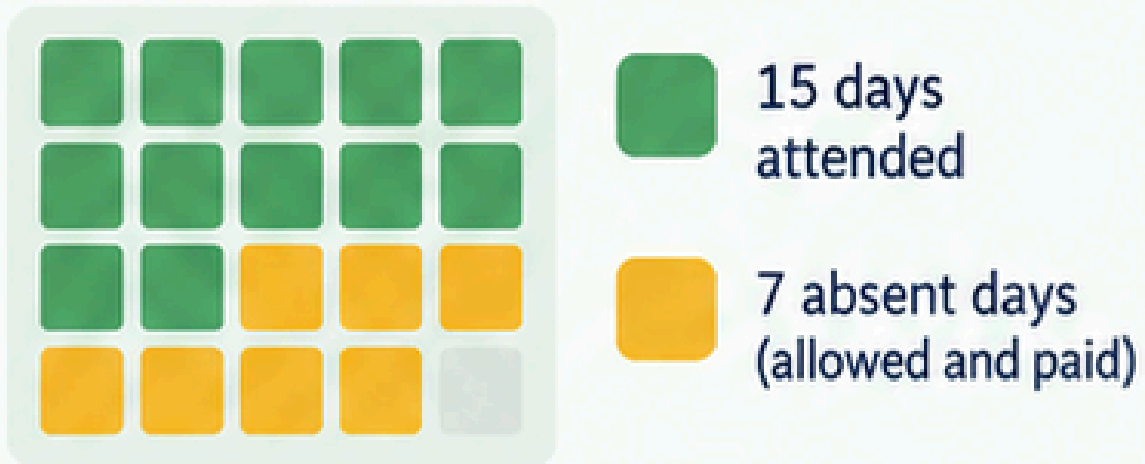
Child care is a commitment to be available every day — not just the days a child is present.

Absent-day payments simply help cover the ongoing costs of keeping high-quality child care available for working families and strong communities.

Here's how it works in a 30-day month:

Child A: Misses 7 Days

Provider is paid for 22 days



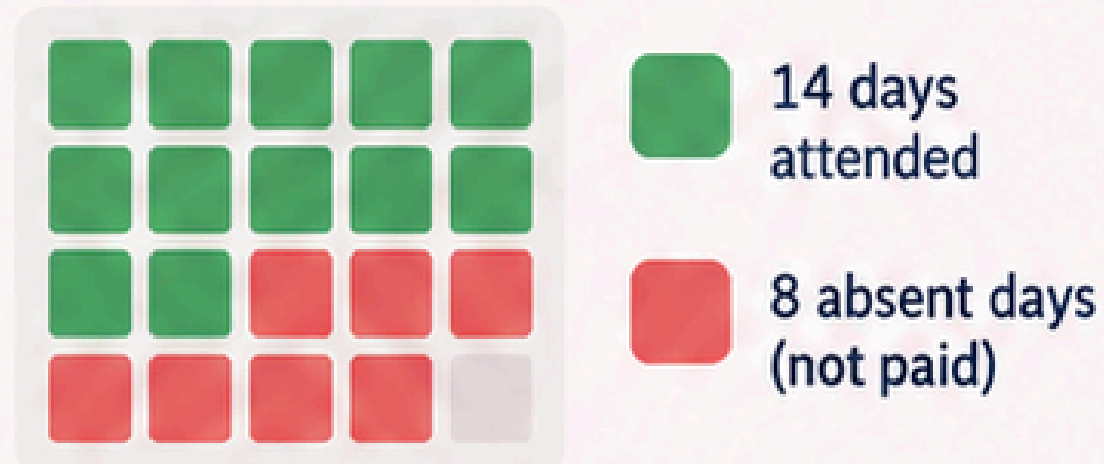
15 attended days x \$25 = **\$375**

7 absent days x \$25 = **\$175**

Total paid: \$550
(22 days)

Child B: Misses 8 Days

Provider is paid for only 14 days



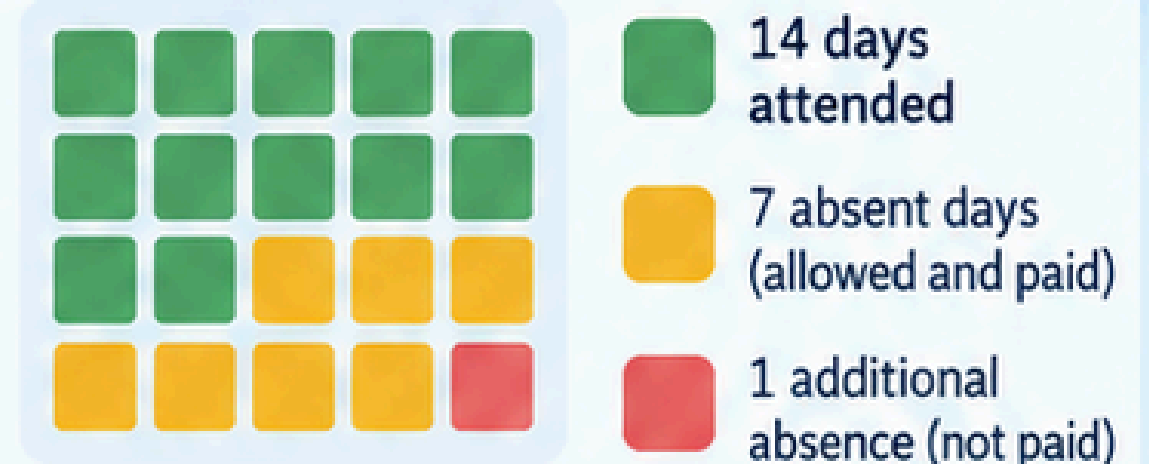
14 attended days x \$25 = **\$350**

0 absent days x \$25 = **\$0**

Total paid: \$350
(14 days)

How It Should Work

Pay for the 7 allowable absences, even if the child misses 8 days.



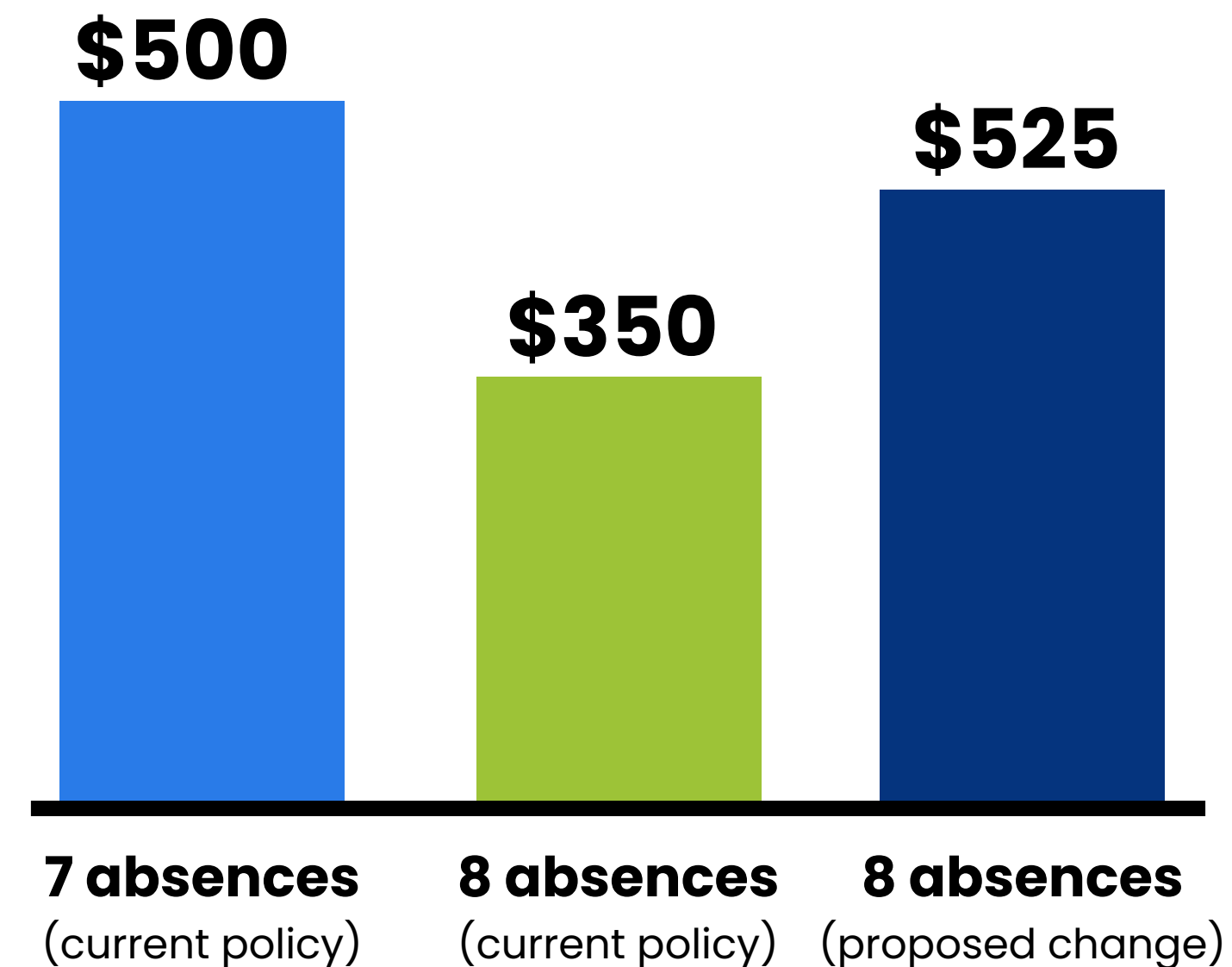
14 attended days x \$25 = **\$350**

7 absent days x \$25 = **\$175**

1 additional absence x \$25 = **\$0**

Total paid: \$525
(21 days)

THE FINANCIAL DIFFERENCE



Under current policy, one additional absence day costs the provider **\$200 in lost revenue.**

With the proposed change, the difference is only **\$25** – the one extra day.

One Additional Absence Day Should Equal One Unpaid Day – not 8 unpaid days.



Pay for the 7 allowable absences.
It's **fair**. It's **logical**.
**It keeps child care available for
Oklahoma families.**

School Age Absent Days

Oklahoma Child Care Funding Instability

School-Age Children Are Not Paid Absent Days

Providers must keep a child's space, staff, and resources available whether the child attends or not, but reimbursement stops when a school-age child is absent.

WHEN A SCHOOL-AGE CHILD ATTENDS



Provider receives subsidy reimbursement for the day.

\$15
PER DAY
(EXAMPLE RATE)

WHEN A SCHOOL-AGE CHILD IS ABSENT



Provider receives **NO PAYMENT** for the day.

\$0
PER DAY

BUT THE COSTS DO NOT GO AWAY

Whether a school-age child attends or not, providers still incur the same expenses, including:



STAFFING COSTS

Teachers must still be scheduled and paid.



FACILITY COSTS

Rent or mortgage, insurance, utilities and maintenance remain the same.



TRANSPORTATION

Buses still run routes and drivers must be paid.



MEALS & SUPPLIES

Food, snacks, classroom supplies and materials are still purchased.



PROGRAM READINESS

The child's space, curriculum, and resources must be available.

**Providers carry the same costs every day,
but for school-age children, reimbursement stops when they are absent.**

Absent Payment Policies

Absences are a normal part of serving children and families—



not an indication that the child no longer needs the slot.

Why this Matters For Provider Stability



Costs don't go down when a child is absent

Rent or mortgage, utilities, insurance, and other operating obligations still have to be paid.



Teachers still need to be paid.

Staffing is based on enrollment, not daily attendance.



The child's spot is reserved.

A provider generally cannot fill that spot for just one or a few days. DHS also restricts providers from requiring attendance with subsidy clients.



Predictable revenue keeps programs open.

Stable funding helps providers continue serving families who rely on child care subsidies.



FULL TIME APPROVAL



Part time Pay

Full-Time Authorization

A child is determined eligible and approved for full-time care, but the provider's reimbursement is reduced to the part-time rate if the child attends less than four hours that day.

Same Child. Same Slot. Same Cost.

Different Payment Policies

Each payer type supports the same child care slot, but payment policies are not the same.

PRIVATE PAY FAMILY PAYS TUITION



Pays tuition based on enrollment (reserving the slot), not daily attendance.



Tuition continues when the child is absent.



Provides predictable and consistent revenue for the provider.



Families understand they are paying to reserve and maintain a child care slot.

TRIBAL SUBSIDY TRIBAL NATION PAYS



Many tribal subsidy programs provide absent-day or enrollment-based payment (though policies vary by tribe).



Allows payment during allowable absences.



Helps maintain more predictable provider revenue.



Supports consistent care for tribal families and stability for providers.

OKLAHOMA STATE SUBSIDY OKDHS PAYS



Reimbursement is based on attendance under current policy.



School-age children currently receive **NO absent-day reimbursement.**



Provider can receive **\$0 for an absent day**, while expenses remain.



Creates higher financial risk and less predictable revenue for providers.

THE STATE SUBSIDY CLIENT IS THE LEAST ATTRACTIVE TO ACCEPT

Based on payment policy, the state subsidy client creates the highest financial risk for providers because:



LEAST PREDICTABLE REVENUE

Payment is tied to daily attendance, with no absent-day pay for school-age children.



HIGHEST FINANCIAL RISK

Providers maintain the slot, staff, transportation and resources, but can receive \$0 for an absent day.



GREATER ADMINISTRATIVE BURDEN

Additional rules and requirements increase time and administrative costs.



INCONSISTENT ENROLLMENT

Frequent eligibility changes and attendance-based payment make it harder to maintain stable enrollment.



LOWER RETURN COMPARED TO OTHER PAYER TYPES

More restrictions, lower and less consistent reimbursement, with no school-age absent-day payments.

While all children are valued and welcome, the current state subsidy payment structure is the **least sustainable for providers** compared to private-pay and tribal subsidy clients.

Legislation Needed:



Absent Days

Pay for the 7 approved absent days if the child misses more than 7 days. Currently these children are approved/budgeted full time



School-age Absent Days

Pay school age 7 absent days just like other ages during covid we were paid 11



Removal of Part-Time Reduction for FT Approvals

Remove the reduction to part time rate (less than 4 hours care) for full time approved children

