



OKLAHOMA HUMAN SERVICES

CHILD CARE INTERIM STUDY

OCTOBER 2026

THE AGENCY ROLE IN CHILD CARE

THREE DISTINCT ROLES

Subsidy

Provides access to child care for lower-income Oklahomans.

Licensing

Oversight that ensures children are cared for in a safe environment.

Quality

Keeps the focus on learning and development.

FY27 SUBSIDY BUDGET BREAKDOWN

TOTAL FUNDING: \$233.9M

\$138.8M

CCDF Allocation

+

\$25.1M

State Share Maintenance of
Effort (MOE)

+

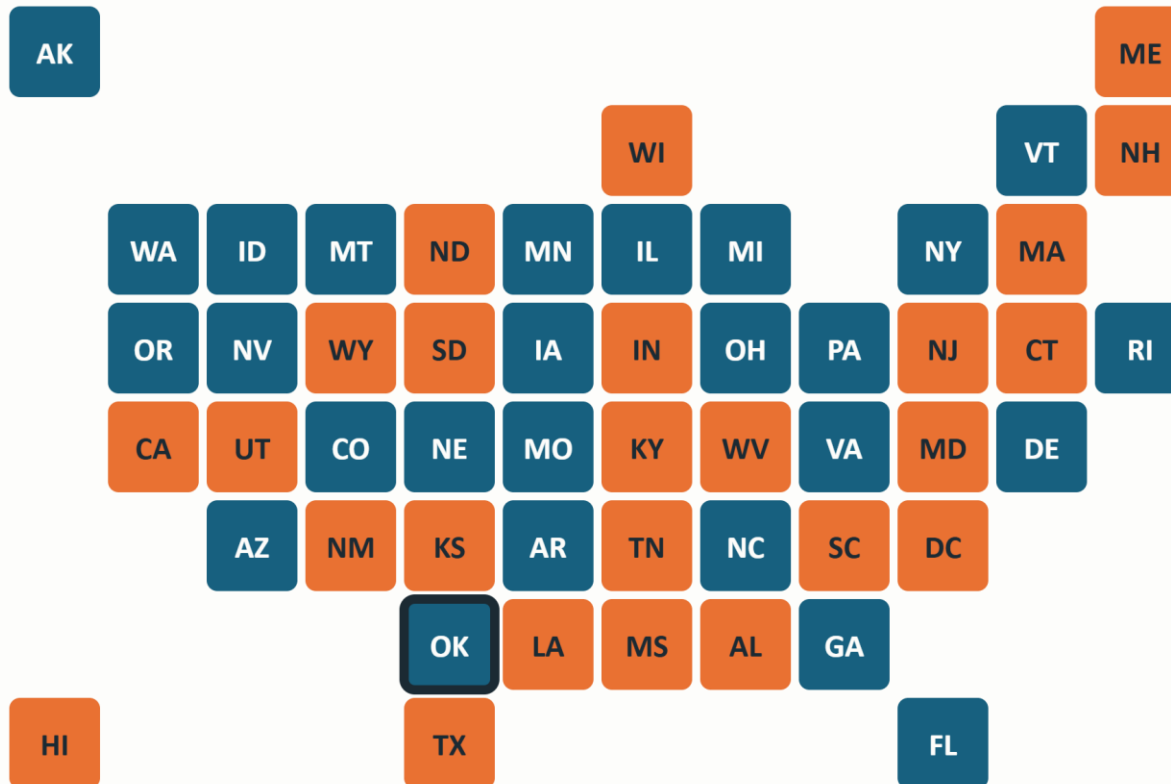
\$70M

TANF Allocation

OKDHS has a set amount of funding to spend on child care each year.

ENROLLMENT VS. ATTENDANCE

HOW STATES PAY FOR CHILD CARE SUBSIDY



27

Enrollment based

Pay for the child's slot.

27

Attendance based

Pay for days attended.

Source: First Five Years Fund, March 2026, based on 2025 CCDF plans. Michigan has since moved to enrollment-based payment for licensed providers.

FEDERAL RULES

ENROLLMENT-BASED PAYMENT REQUIREMENT

FOR IMMEDIATE RELEASE
January 5, 2026

Contact: HHS Press Office
202-690-6343
[Submit a Request for Comment](#)

HHS TO CLOSE BIDEN-ERA LOOPHOLE THAT LET STATES PAY CHILD CARE PROVIDERS WITHOUT COUNTING ATTENDANCE

Source: U.S. Department of Health and Human Services, HHS.gov Press Room

2024

Federal rule planned to require all states to pay prospectively on the basis of enrollment, or slots.

OKLAHOMA

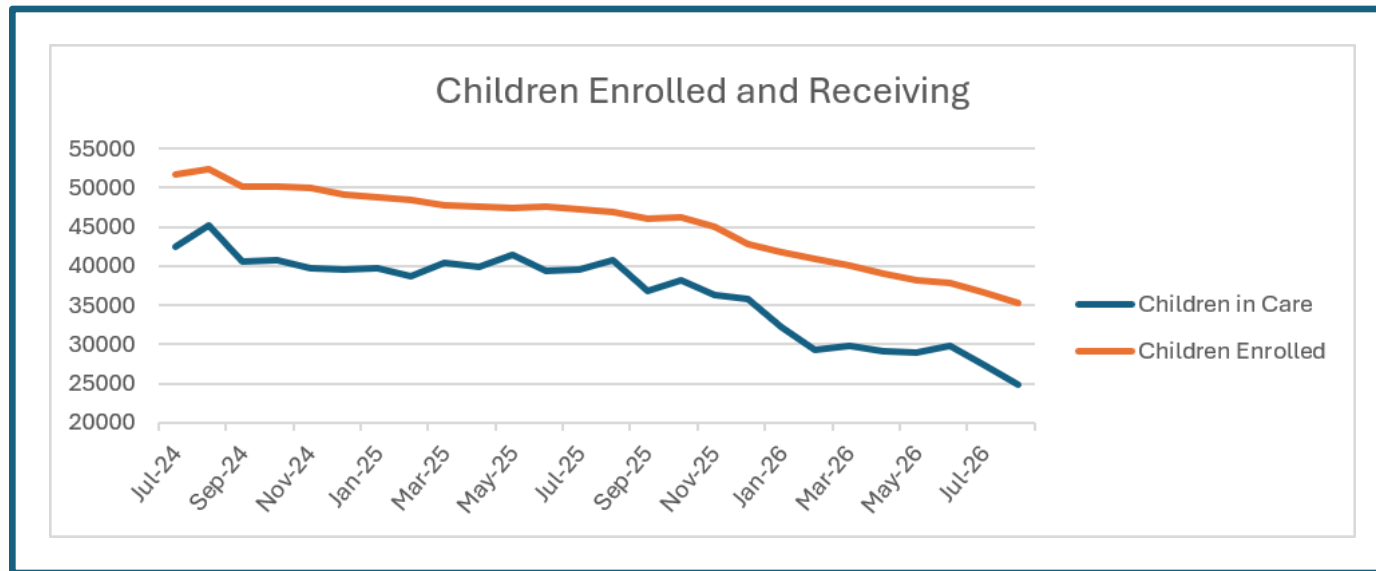
Sought a waiver to delay and prepare for implementation.

JANUARY 2026

HHS announced it would rescind the requirement, citing fraud prevention.

CHILDREN ENROLLED VS. CHILDREN ATTENDING

OKLAHOMA CHILD CARE SUBSIDY



More children are enrolled in the subsidy program than attend in any given month.

\$8,800

Average annual spend for one child in the subsidy program

BUDGET IMPACT OF AN ENROLLMENT-BASED MODEL

ADDITIONAL ANNUAL COST TO TRANSITION

\$158M

Additional cost to pay on enrollment for all children enrolled today

\$81M

Additional cost calculated for only the children currently attending

OKLAHOMA'S ATTENDANCE-BASED MODEL

EXAMPLE: A 31-DAY MONTH

Up to 7 absent days

The provider receives the full payment.

More than 7 absent days

The provider is paid for the number of days the child attends.

Full payment is reduced only when a child is absent over 30% of the time.

Attendance required, for context

Oklahoma public schools



Head Start (federal policy)



Child care subsidy, for full payment



HOW OKLAHOMA AND FIVE NEIGHBORING STATES COMPARE

NATIONAL PRECEDENT

Absent days the state pays for

ENROLLMENT BASED

Texas

All of them.

Kansas

The state doesn't count absences; the family and provider agree on absence charges.

ATTENDANCE BASED

Oklahoma

Paid only if the child attends 15 or 16 full days that month.

Arkansas

Up to 40 a year, split across the year (6 to 8 a month at most).

Missouri

Up to 5 a month, including holidays.

Colorado

Reimburses for 3-4 a month

RATE STRUCTURES

FULL-TIME, PART-TIME, AND BLENDED

Part time

Less than 4 hours of care.

Full time

4 or more hours of care.

Blended

Paid only during the school year for children who receive part-time care after school and need full-time care on school holidays.

\$4M

Remove blended rates

Nearly \$4M less paid to providers each year.

\$24M

Pay all care at the full-time rate

Nearly \$24M in additional cost to the state.



THANK YOU

OKLAHOMA HUMAN SERVICES