



# Challenges with Oklahoma Subsidy Rates and Child Care Instability

by the Oklahoma Child Care Association



# HOW WE GOT TO THIS INSTABILITY: Subsidy Rates

## Timeline



**2017 – OKDHS Market Rate Survey Conducted**



**2018 – First Provider Rate Increase since 2013**

Subsidy rates were increased due to increased funding to CCDBG. Oklahoma increased and stabilized rate across the State. It increased family eligibility to 85%SMI.



## **2020 – Covid Era Funding**

OKDHS implemented many changes over this time, including reduced copayments for families, paying full-time rate for school-age children due to school closures, allowing an additional 3 absent payment days, and paying providers a \$5 per child per day supplemental.

**2021-2022 Legislative Session** – Bill was introduced by the legislature to continue \$5 per day supplement.



## **2021 – OKDHS Market Rate Survey Conducted**

## **2022 - THE 5 STAR QRIS PROGRAM REVISION**

OKDHS forced implementation of new 5 Star system that offered an alternative pathway to the highest quality rating level. Subsidy rates were increased with the new Star levels.

## **2024 – OKDHS Market Rate Survey Conducted**



**2023 – 2024 Legislative Session** – No increase in funding and OKDHS leadership claimed there was ample ARPA funding that a rate increase was not needed at this time.

**August 2024 First Round of Covid Era Reductions**



## **February 2025 - Approved Emergency Rules**

All 5-Star programs must obtain accreditation from a Child Care Services (CCS) approved national accrediting organization by September 1, 2025. Programs that do not meet these deadlines were subject to the reduction of stars and reimbursement

## **November 2025 – Schoolage Child Care Subsidy CUTBACKS**

OKDHS removed the \$5 per day for school age children (ages 6+). Renewals and applications for children 6+ cancelled and all 6- to 12-year-old children are removed from the program.



**January 2026** – children ages 6-8 years were reinstated for childcare assistance.

**April 6, 2026 - \$5 Supplement Total Removal**

Removed thus removing \$5 per day from all children in care. THIS FINAL REDUCTION TAKES OKLAHOMA SUBSIDY RATES TO 2021 Levels.

ARPA funding created a disruption that allowed OKDHS to "jump over" the expected rate increase.



Oklahom Subsidy rates are now at 2021 levels.

# HOW WE GOT TO THIS INSTABILITY: Subsidy Processing

OKDHS CHILD CARE SUBSIDY ·  
INFANT · 5-STAR CENTER

## The One-Minute Cliff

How one minute of attendance can cost a program \$434 for a single infant in a single month.

### ① THE DAILY RATE

4 hrs 1 min

**\$50.60**

Full-time day

4 hrs 0 min

**\$30.40**

Part-time day

Same infant. Same classroom. Same teacher. **One minute apart.**

### ② THE MONTHLY RESULT

16 full-time days

**\$1,223**

Monthly full-time rate



15 full-time days +  
1 day short by one minute

**\$789.40**

$15 \times \$50.60 + \$30.40$



**Lost to one minute**

That's a 35% cut to the month's payment for this child.

**-\$434**

# OCCA recommends



1.) increasing funding to the child care subsidy program to better align the 2024 market rates.



2.) Allow rate to follow the child and empower parents to use their benefit as they choose.



3.) Reinstate 9 to 10 years olds



4.) Reinstate the additional 3 absent payment days