Fee Collection Practices Among Care 4 Kids Child Care Providers

In Connecticut, the federal Child Care and Development Fund (CCDF) subsidy program, known as Care 4 Kids (C4K), is administered by the Office of Early Childhood (OEC). The C4K program helps reduce the cost of child care for eligible families with low incomes. Education Development Center (EDC) and Yale University are collaborating with OEC on an evaluation study to examine subsidy payment policies. The goals of this study are to evaluate the impact of OEC's subsidy payment policies on provider and family participation in C4K as well as explore how providers and families understand and experience payment policies.

The OEC sets the C4K payment rate based on a variety of factors, including market rate for care in the region. The C4K rate is the total amount that providers receive for each child based on the child's age and the number of hours of care.

The C4K rate is divided into two portions: (1) the amount that OEC pays directly to the provider and (2) the family fee, which is the portion the family is responsible for paying to the provider. The family fee is calculated by OEC based on family income and size. Providers rely on reliable and timely payments from both C4K and families.

If the full C4K rate (OEC payment plus family fee) is less than a child care provider's standard tuition rate, the provider may charge families the difference in addition to the family fee.

C4K-serving centers and family child care (FCC) providers report different practices regarding the collection of the family fee and any difference between the C4K rate and their standard tuition rate.[1]

60% CENTERS	46% FCC	60% of centers reported that they **always collect** the family fee compared to 44% of FCC providers.
39% CENTERS	26% FCC	39% of centers report that they have **asked a family to leave their program** due to nonpayment of the family fee compared to 26% of FCC providers.
71% CENTERS	63% FCC	71% of centers ask families to **pay the full difference** between the C4K rate and their program's standard tuition rate compared to 63% of FCC providers.

[1] The EDC-Yale research team conducted a survey of licensed centers and family child care providers from March 31 to May 12, 2025. Out of 412 respondents, 81% served C4K families. Of those, 57% were FCC providers and 43% were centers. This fact sheet presents selected findings from the provider survey.

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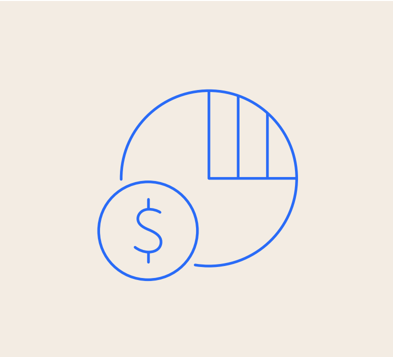

Provider type and the proportion of a program's enrollment that receives C4K (subsidy density) helped to predict practices related to the collection of the family fee and any difference in tuition.[2]

Effects of provider type as a predictor of fee collection:

- Centers were more likely to report **always** collecting the family fee, while FCC providers were more likely to report **sometimes** collecting the family fee.
- Centers were more likely to ask families to pay the **full** cost of the difference between the C4K rate and their standard tuition rate, while FCC providers were more likely to ask families to pay **some** part of the difference.

Effects of subsidy density as a predictor of fee collection:

- On average, providers[3] with higher percentages of C4K enrollment were more likely to report collecting the family fee **sometimes** rather than **always**.
    - Among FCC providers, those with higher percentages of C4K enrollment were more likely to report that the frequency of their collection of the family fee **depends on the amount**.
- On average, providers[4] with higher percentages of C4K enrollment were more likely to report asking families to pay **some** part of the difference between the C4K rate and their standard tuition rather than the **full** difference.
    - Among FCC providers, those with higher percentages of C4K enrollment were more likely to report that they do **not** ask families for any of the difference.

Family child care providers—particularly those serving higher percentages of C4K families—forgo more of the payments they are due than do centers. This is true whether it be the family fee or the difference between the C4K rate and their standard tuition rate.

[2] Findings based on multinomial regression analyses; results are significant at $p < .05$.
[3] Licensed centers and FCC providers, combined.
[4] Licensed centers and FCC providers, combined.

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