

# What Does Child Care Subsidy Program Participation Look Like across DC's Eight Wards?

## A Snapshot of the Supply of Subsidized Child Care in DC

Alicia González, Justin B. Doromal, and Elli Nikolopoulos

October 2025

State and local governments administer child care subsidy programs to address the limited child care options and high child care costs families in the United States face.<sup>1</sup> Funded through a combination of state and federal dollars through the Child Care and Development Fund (CCDF), subsidy programs help reduce eligible families' child care costs by providing vouchers or direct payments to participating child care providers (US Department of Health and Human Services 1998). States and localities have flexibility in determining how best to use CCDF dollars to serve families and children, including by setting payment rates and eligibility requirements. In turn, subsidy program policies and practices can expand the supply of affordable care and improve access for families.

As part of the project [An Evaluation of the District of Columbia's Innovative Subsidy Policies and Practices](#), this brief describes the supply of subsidized child care in DC—both overall and by DC's eight wards. This information can guide the development of evidence-based policies and practices that aim to expand access to child care subsidies. This brief answers the following questions:

1. How many child development facilities participate in DC's child care subsidy program, and how does participation vary by DC ward?
  - » In November 2023, 264 child care facilities participated in DC's child care subsidy program, representing a participation rate of 57 percent.
  - » Participation rates varied widely across DC wards, from 21 percent to as high as 96 percent of facilities.
2. What percentage of facilities' total licensed capacity is occupied by children participating in the subsidy program?
  - » Throughout the year, facilities participating in the subsidy program enrolled an average of 27 percent of their total capacity through the subsidy program.

### METHODS

A team of researchers at the Urban Institute performed descriptive analyses using licensed child care and monthly subsidy payment records from fiscal year 2024. We accessed these data through a data-sharing agreement as part of a research-policy partnership with DC's Office of the State Superintendent of Education. To answer questions about the supply of subsidized care in DC, we examined the share of licensed facilities participating in the subsidy program and the share of slots in each facility comprised of children whose care was paid for with a subsidy. We conducted these analyses for DC overall and by DC ward.

## Child Care Subsidies in DC

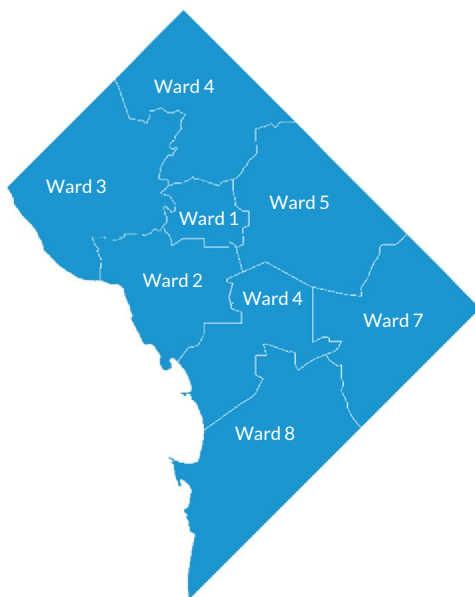
To participate in DC’s subsidy program, a provider must operate at least one child development facility<sup>2</sup> that is licensed by the DC Office of the State Superintendent of Education (OSSE) and complete an application and provider agreement (OSSE 2024). Subsidy program participation is not mandatory, although it is a prerequisite to participate in several other DC initiatives, including the following:

- **The Pre-K Expansion and Enhancement Program (PKEEP).** The PKEEP program allows licensed facilities to offer public prekindergarten through DC’s mixed-delivery system.
- **The Quality Improvement Network (QIN).** QIN provides comprehensive early learning and family support services to eligible families with infants and toddlers up to the age of 36 months.

Once providers receive approval to participate in the subsidy program, they have authorization to enroll eligible children up to their licensed capacity, in accordance with DC regulations.<sup>3</sup> DC’s Department of Human Services determines families’ subsidy eligibility based on factors including need, income, and family composition (OSSE 2024). In the average month in fiscal year 2024, about 4,300 families and almost 5,500 children received a child care subsidy<sup>4</sup>

In practice, providers often intentionally enroll a mix of families with subsidies and private-paying families, and some may not enroll any families with a subsidy at all despite participating in the subsidy program. Both business-related and mission-driven motivations can influence decisions around subsidy participation and enrollment. Business-related motivations include perceived demand for subsidized care, differences in revenue received between subsidy payments and private tuition, and initiatives requiring subsidy program participation despite enrollment being supported through other funding streams (Doromal, Michie, and Weisner 2023; Farr et al. 2025). Mission-driven motivations include a desire to serve families who need financial assistance in purchasing care. (Doromal, Michie, and Weisner 2023; Farr et al. 2025; Rohacek and Adams 2017).

FIGURE 1  
Map of DC’s Eight Wards



Source: Authors’ map of DC Ward boundaries.

DC’s neighborhoods fall within eight wards (figure 1), each with distinct population characteristics (table 1). Since October 2023, families with incomes up to 300 percent of the federal poverty level, or an annual income of about \$90,000 for a family of four (US Department of Health and Human Services 2023), can qualify for subsidies. Ward-level variation in population counts and household characteristics may determine the potential population eligible for subsidies in each ward. Providers’ perceptions of this potential demand could influence their decisions to participate in the subsidy program or enroll families seeking to use a subsidy to purchase care (Farr et al. 2025; Rohacek and Adams 2017). Although perceived demand is not the only motivation driving providers’ decisions about subsidy program participation, we expect participation rates and subsidy enrollment to be greater, on average, in wards with lower family incomes.

TABLE 1

**Selected Population Characteristics and Child Care Availability Information by DC Ward**

Ward	Population under 5 years of age	Child poverty rate	Median family income of families with children	Number of child development facilities	Total child care capacity
Ward 1	4,918	24%	\$181,127	38	2,631
Ward 2	2,371	8%	\$250,000+	53	3,829
Ward 3	3,600	0.2%	\$250,000+	43	3,490
Ward 4	5,966	10%	\$200,268	86	3,782
Ward 5	5,764	16%	\$144,922	62	2,613
Ward 6	4,599	18%	\$223,794	61	3,063
Ward 7	6,828	31%	\$66,900	52	2,473
Ward 8	6,870	35%	\$50,653	67	4,010
DC	40,916	20.4%	\$163,200	462	25,891

Source: Annie E. Casey Foundation (2023) KIDS COUNT data on population under 5 years of age, child poverty rate, and median income of families with children and authors’ analyses of November 2023 licensing data obtained from OSSE on number of child development facilities and total child care capacity.

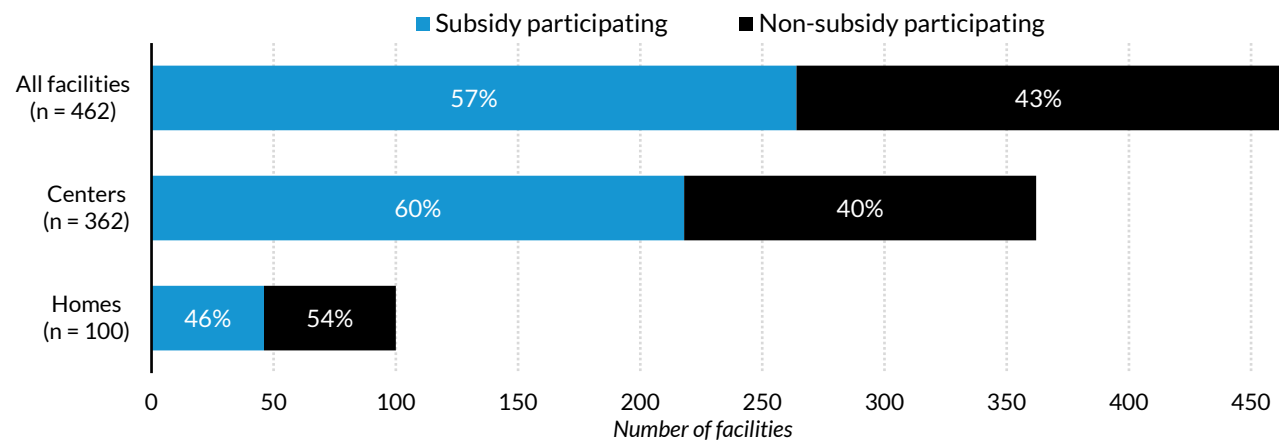
Note: The child poverty rate is determined by the percent of children ages 0–17 from households with family income below 100 percent of the federal poverty level. Median family income is the reported income for a family of four for families with children ages 0–17 in 2023 inflation-adjusted dollars.

**How Many Facilities Participate in DC’s Child Care Subsidy Program, and How Does Participation Vary by Ward?**

In November 2023, 264 child development facilities participated in DC’s child care subsidy program, or about 57 percent of all licensed facilities operating in that month (figure 2). A higher percentage of child care centers participated in the subsidy program compared with family child care homes (60 percent vs. 46 percent, respectively).<sup>5</sup> The share of facilities approved to enroll families with a subsidy varied substantially across DC’s wards, ranging from 21 to 96 percent of facilities (figure 3). Wards with higher child poverty rates generally had larger shares of facilities participating in the subsidy program.

FIGURE 2

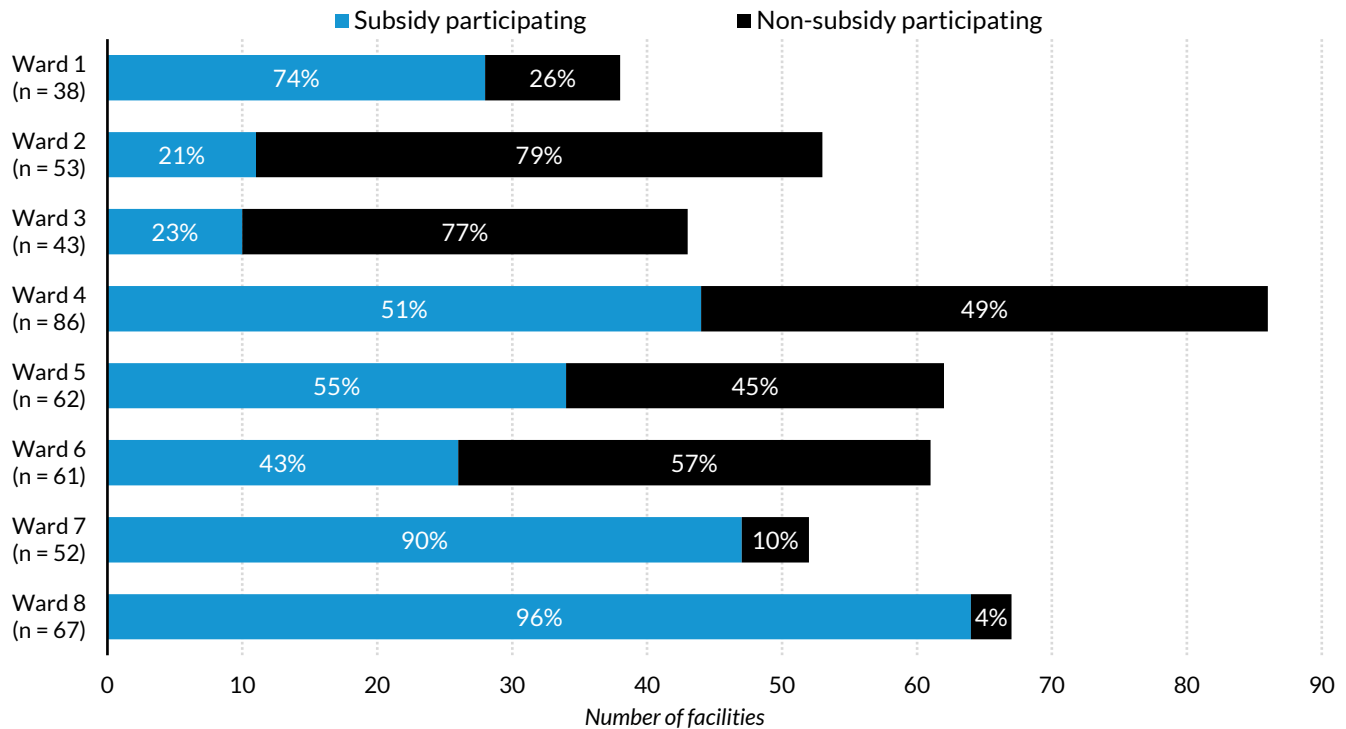
**Number and Share of Child Care Facilities by DC Subsidy Program Participation**



Source: Authors’ analyses of November 2023 licensing data obtained from OSSE. Annual snapshot reflects facilities licensed to operate in November 2023.

Notes: This figure includes data from 462 facilities that were operational in November 2023. Subsidy participation is determined by a facility’s licensing characteristics and does not reflect receipt of subsidy payment.

**FIGURE 3**  
**Number and Share of Facilities by Ward and DC Subsidy Program Participation**



**Source:** Authors' analyses of November 2023 licensing data obtained from OSSE. Annual snapshot reflects facilities licensed to operate in November 2023.

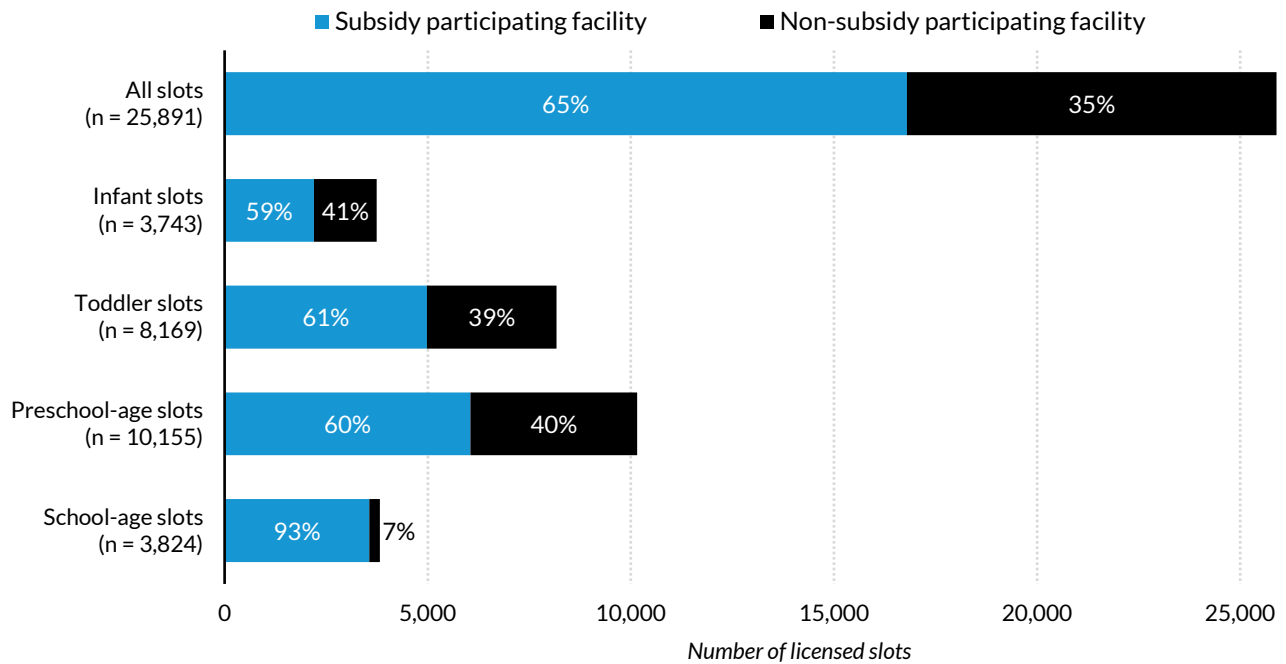
**Notes:** This figure includes data from 462 facilities that were operational in November 2023. Subsidy participation is determined by a facility's licensing characteristics and does not reflect receipt of subsidy payment. The figure reports the number of facilities operating in each ward and the share of facilities participating in the child care subsidy program in November 2023.

Facilities that participate in the subsidy program provided nearly two-thirds (65 percent) of licensed child care slots (figure 4) across DC, even though only 57 percent of facilities accept subsidies. This indicates that facilities accepting subsidies tend to be larger and offer more slots than facilities that do not accept subsidies. Child care centers both represent a higher proportion of facilities that accept subsidies and contribute the majority of licensed child care slots compared with family child care homes, so the greater share of slots among subsidy-participating facilities is expected. However, because providers enroll a mix of families using subsidies and families paying tuitions, not all slots at a subsidy-participating facility may be available to families using subsidies.

Facilities participating in the subsidy program supplied roughly three-fifths of licensed care slots for infants, toddlers, and preschool-age children. Overall, families with preschool-age children had access to the largest potential number of subsidized slots. Notably, DC families of preschool-age children also have other opportunities for free or reduced-cost care outside of the subsidy program, including accessing DC's universal public prekindergarten program (with the majority of its slots occurring in school-based programs outside the child care licensing system).<sup>6</sup> However, facilities that participate in the subsidy program offered nearly all of DC's licensed school-age slots. In DC, school-age providers are largely exempt from licensure, though they must be licensed to accept child care subsidies. Thus, licensed facilities providing out-of-school-time care for school-age children only are more likely to accept subsidies, as facilities that do not accept subsidies operate mostly outside of the licensing system.

FIGURE 4

### Number and Share of Licensed Child Care Slots in Facilities Participating and Not Participating in DC’s Subsidy Program



**Source:** Authors’ analyses of November 2023 licensing data obtained from OSSE. Annual snapshot reflects facilities licensed to operate in November 2023.

**Notes:** This figure includes data from 462 facilities that were operational in November 2023. Subsidy participation is determined by a facility’s licensing characteristics and does not reflect receipt of subsidy payment. Slots in subsidy participating facilities do not necessarily serve children with a subsidy—they reflect the total number of licensed slots available in a facility that is eligible to serve children with a subsidy. Age groups are defined according to licensing standards as follows: infant (0–11 months), toddler (12–35 months), preschool age (3–5 years), and school age (5+ years).

### What Percentage of Facilities’ Total Licensed Capacity Is Occupied by Children Participating in the Subsidy Program?

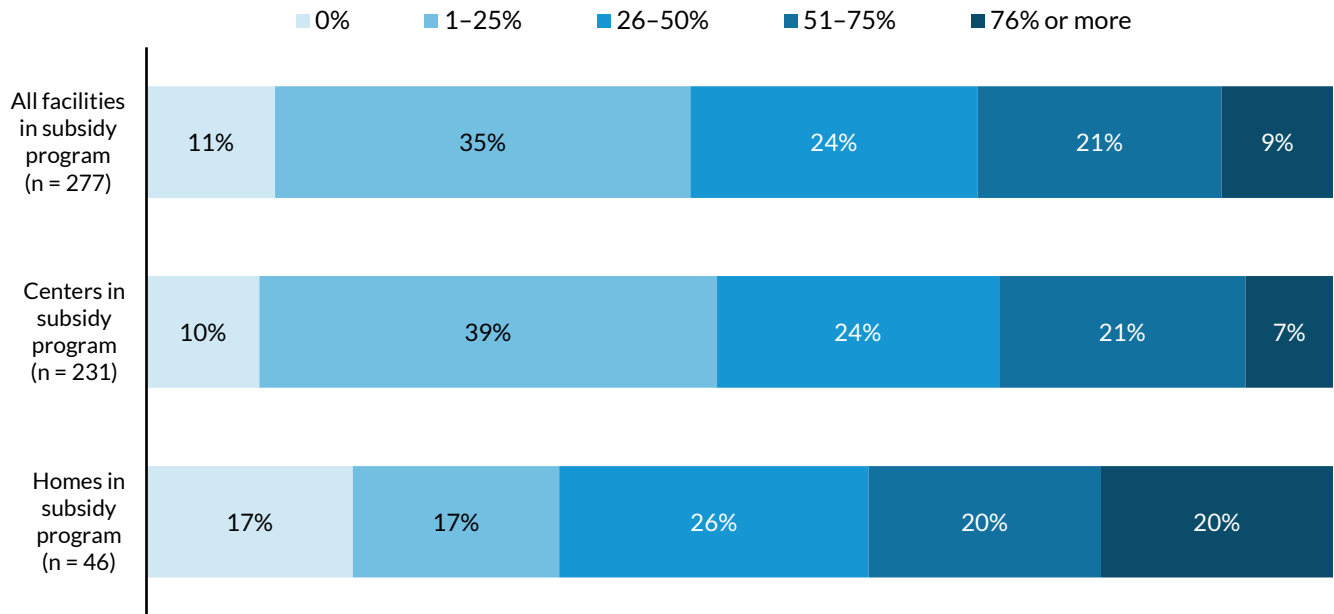
The percentage of child care facilities’ licensed capacity occupied by children with a subsidy is relatively low (figure 5). Among facilities participating in the subsidy program, a quarter or fewer of licensed slots served children using subsidies at nearly half (46 percent) of facilities during DC’s 2024 fiscal year. By comparison, only 30 percent of facilities in the program used subsidies for more than half of their total slots.

Throughout fiscal year 2024, facilities enrolled, on average, 27 percent of their total licensed capacity through the subsidy program. Centers tended to enroll a smaller share of slots through the subsidy program compared with family child care homes (26 percent vs. 34 percent, respectively). Differences in licensed capacity between centers and family child care homes may contribute to these differences in subsidy enrollment, as family child care homes can only enroll up to 12 children, regardless of their subsidy participation. Indeed, family child care homes are more likely than centers to both have enrollment levels represent more than 75 percent of their total capacity (21 percent vs. 8 percent) and have no enrollment through the subsidy program at all (17 percent vs. 9 percent). For some facilities, zero subsidy enrollment despite subsidy program participation might reflect that participation in the subsidy program is a prerequisite for participation in other DC child care programs like PKEEP and QIN.

FIGURE 5

**Share of Facilities Enrolling a Percentage of Licensed Capacity with Children Using Subsidies**

Monthly average for FY 2024 among facilities participating in the subsidy program



Percentage of licensed capacity filled with children using subsidies

**Source:** Authors' analyses of FY 2024 subsidy payment data and November 2023 licensing data obtained from OSSE.

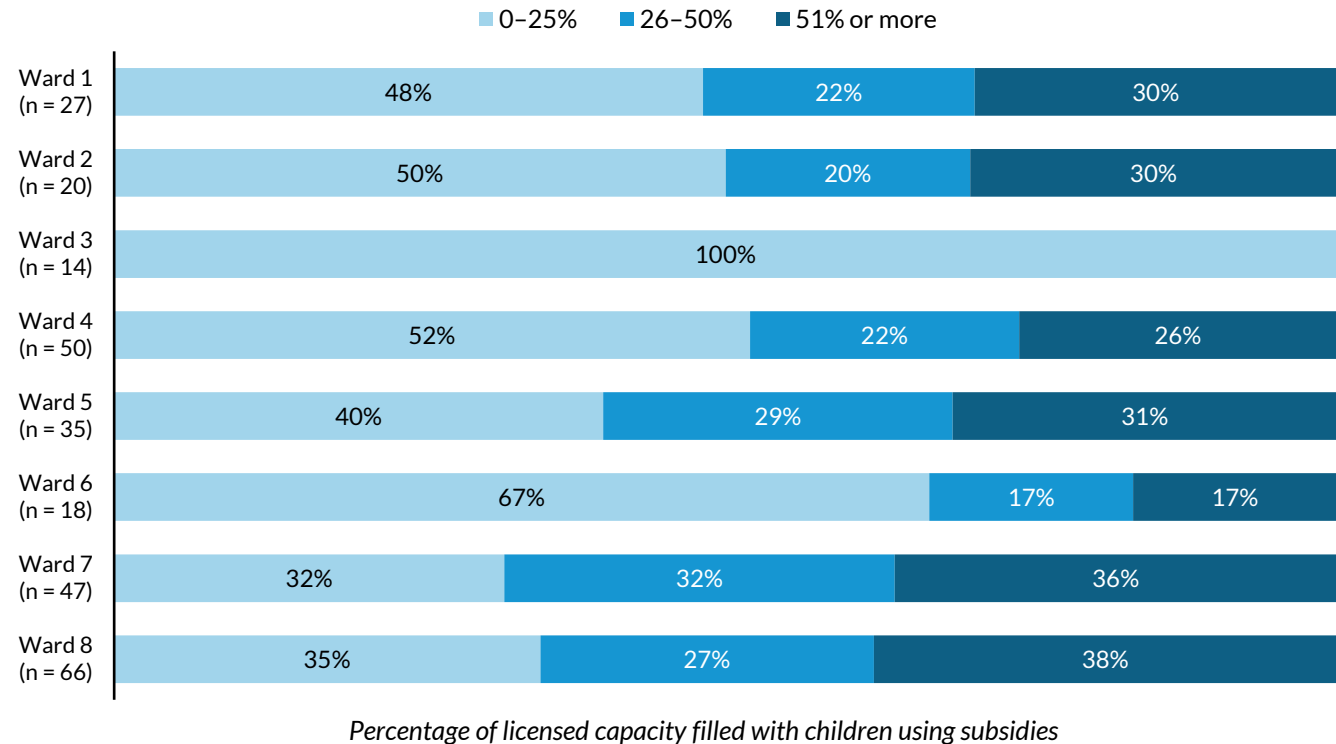
**Notes:** This figure includes data from 277 facilities that were operational in November 2023 and participated in the subsidy program for at least one month in fiscal year 2024. Facilities that were not licensed to serve children with subsidies in November 2023 but were operational and did enroll children using subsidies for at least one month in FY 2024 are included. We first computed for each facility the ratio of the number of children for which a facility received a subsidy payment each month to the facility's total licensed capacity for the month. Because children receiving part-time care or before and after school care are also counted, ratios may be greater than 1. We then computed monthly averages for each facility using data from October 2023 to September 2024. Facilities that were licensed to serve children with subsidies in November 2023 but that did not receive any subsidy payments in fiscal year 2024 have a value of 0 percent. Family child care homes are licensed to serve very few children (up to 6 for child development homes; up to 12 for child development expanded homes) and so small capacities may influence the distribution of facilities across the categories presented in this figure.

Finally, subsidy enrollment varied by DC ward (figure 6). In several wards, about one-third of facilities participating in the subsidy program enrolled more than 50 percent of their licensed capacity through the subsidy program. But in other wards, a majority of facilities enrolled children from families using subsidies up to 25 percent or less of their total authorized slots.

FIGURE 6

## Share of Facilities in Each DC Ward Enrolling a Percentage of Licensed Capacity with Children Using Subsidies

Monthly average for FY 2024 among facilities participating in the subsidy program



**Source:** Authors' analyses of FY 2024 subsidy payment data and November 2023 licensing data obtained from OSSE.

**Notes:** This figure includes data from 277 facilities that were operational in November 2023 and participated in the subsidy program for at least one month in FY 2024. Facilities that were not licensed to serve children with subsidies in November 2023 but were operational and did enroll children using subsidies for at least one month in FY 2024 are included. We first computed for each facility the ratio of the number of children for which a facility received a subsidy payment each month to the facility's total licensed capacity for the month. Because children receiving part-time care or before and after school care are also counted, ratios may be greater than 1. We then computed monthly averages for each facility using data from October 2023 to September 2024. Facilities that were licensed to serve children with subsidies in November 2023 but that did not receive any subsidy payments in FY 2024 have a value of 0 percent.

### Implications for Policy and Research

Analysis of child care licensing data and subsidy payment data offers important insights into the supply of subsidized care and how subsidy program participation varies geographically. We find the following:

- **Subsidy participation rates are high among child care providers in DC.** Overall center-based facility participation rates in DC exceed national estimates from studies with older data (e.g., Datta and Ventura 2023).<sup>7</sup> These rates vary within DC and may partially reflect the populations residing in different wards and the potential demand for subsidized care. For instance, wards with higher subsidy program participation rates generally had higher child poverty rates.
- **Subsidy enrollment varies substantially by provider type and by DC ward.** High enrollment among some facilities across wards could reflect a greater supply of subsidized child care available, or it could show differences in family demand across communities.

- **Subsidy enrollment as a percentage of capacity offers a more nuanced measure of subsidy program engagement** than participation alone. Most facilities enrolled a mix of families using subsidies and private-paying families, and some do not enroll families using subsidies at all.

**More research is needed** to address and document several key questions that could further inform policymaking, such as the following:

- What local factors other than perceived demand (e.g., perceived administrative burden or financial challenges) might explain subsidy program participation?
- What factors influence subsidy enrollment levels?
  - » How much do subsidy enrollment levels reflect the total demand from families using subsidies?
  - » Why do some providers only enroll small shares of children from families receiving subsidies? Does this reflect external challenges that providers face or intentional decisions to limit enrollment?
- How do providers' subsidized enrollment choices impact families' access to subsidized care?

**Better and additional data** can help policymakers understand whether increasing the supply of subsidized care is possible through increasing enrollment at providers already participating in the subsidy program or if challenges exist that hinder providers from serving more families with subsidies.

- Additional information, such as total or desired enrollment, can further help researchers and policymakers identify opportunities for expanding the supply of subsidized child care and assess families' current access to care through subsidies. The lack of data on providers' total enrollment, for example, precluded us from computing subsidy densities, or the share of *enrollment* filled with children through subsidies, as has been done in prior literature (Datta and Ventura 2023). These data might be captured through changes to variables collected in state administrative data or through primary data collection.
- Continuing to include information about available child care at the local level can help ensure families are aware of the child care options available to them. Further, these data support policymakers in making informed decisions about which communities may benefit from additional resources or supports.
- Provider feedback, through listening sessions or brief surveys, could shed more light on the nature of low subsidy density. Moreover, in instances where low subsidy density is an intentional choice, provider insights could reveal policy opportunities to increase providers' willingness to enroll more children with subsidies.

These data points can help policymakers assess the availability of subsidized care and identify challenges to provider participation. They can also be useful for tracking progress on supply building and family access goals, especially as state and local governments introduce or revise subsidy policies and practices. For example, in October 2023, DC raised the income requirements determining initial eligibility for subsidies to 300 percent of the federal poverty line. Additional data could reveal if this policy helped expand access to subsidized care for more families.

Finally, policymakers might explore ways to support or encourage facilities to keep information about enrollment up to date, which can support families' search for care and community-level decision-making. DC child care providers often face difficulties navigating OSSE's data systems and correcting data errors, so streamlining these processes could facilitate more accurate and more frequent reporting of data (Gunderson and Chavez Cruz 2025). Families in particular would benefit from publicly posted and updated information on facilities' enrollment, both overall and through the subsidy program. Publishing subsidy-specific information, such as facility vacancies by age group and desired enrollment levels, could help simplify families' care search process and support them in finding an open child care slot at a facility that is accessible to them (Sandstrom et al. 2024).

## Notes

- <sup>1</sup> Georgia Poyatzis and Gretchen Livingston, “New Data: Childcare Costs Remain an Almost Prohibitive Expense,” *US Department of Labor Blog*, US Department of Labor, November 19, 2024, <https://blog.dol.gov/2024/11/19/new-data-childcare-costs-remain-an-almost-prohibitive-expense>.
- <sup>2</sup> In DC, child care providers are businesses and nonprofit organizations that operate child development facilities. They provide early learning services to children ages birth to 5 or out-of-school-time care for school-age children. Some providers may operate more than one child development facility, though decisions to participate in the subsidy program occur at the provider level. For additional information, see “Early Learning: Resources for Child Care Providers,” Office of the State Superintendent of Education, accessed October 23 2025, <https://osse.dc.gov/service/early-learning-resources-child-care-providers>
- <sup>3</sup> For more information on subsidy program application and participation requirements, see “DC Child Care Subsidy Program,” Office of the State Superintendent of Education, accessed October 23, 2025, <https://osse.dc.gov/subsidy>.
- <sup>4</sup> Numbers based on authors’ analyses of monthly subsidy payment record data from October 2023 to September 2024.
- <sup>5</sup> DC has three different child care license types: child development center (CDC), child development home (CDH), and child development expanded home (CDX). CDHs have a maximum authorized capacity of 6, and CDXs have a maximum capacity of 12 children. We use the term family child care homes to refer to both CDHs and CDXs to facilitate generalizability to other studies and state licensing contexts. We refer to CDCs in this brief as child care centers.
- <sup>6</sup> DC’s public prekindergarten operates through a mixed delivery system, with child development centers providing about 8 percent of public prekindergarten students. Public prekindergarten seats offered by child development centers are not part of the child care subsidy program. However, school-based public prekindergarten programs and child development centers offering before and after school care do so with the subsidy program. For additional information see “Pre-Kindergarten Reports: The State of Pre-K in the District of Columbia,” Office of the State Superintendent of Education, September 18, 2025, <https://osse.dc.gov/publication/pre-kindergarten-reports-state-pre-k-district-columbia>.
- <sup>7</sup> For example, Datta and Ventura (2023) use data from the 2019 National Survey of Early Care and Education to document that 47 percent of center-based providers reported receiving CCDF subsidies.

## References

- Datta, A. Rupa, and Ilana Ventura. 2023. “[Enrollment Size and Subsidy Density of Child Care Centers Receiving Child Care Subsidies in 2019](#).” OPRE Report No. 2023-008, Washington DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, US Department of Health and Human Services.
- Doromal, Justin B., Molly Michie, and Kennedy Weisner. 2023. [Why Child Care Providers Don’t Participate in Subsidy Programs: Insights from a Statewide Survey of Non-Participating Providers](#). Charlottesville, VA: SEE-Partnerships at the University of Virginia.
- Farr, Anna, Diane Schilder, Clare Waterman, and Justin B. Doromal. 2025. “[What Providers Say Affects Their Willingness to Participate in the DC Child Care Subsidy Program](#).” Washington, DC: Urban Institute.
- Gunderson, Anne, and Diana Chavez Cruz. 2025. [If You Build It: Recommendations for Increasing the Supply of Affordable Child Care to Meet District Demand](#). Washington, DC: DC Fiscal Policy Institute.
- OSSE (Office of the State Superintendent of Education). 2024. [DC Child Care Subsidy Program Manual](#). Washington, DC: OSSE.
- Rohacek, Monica H., and Gina Adams. 2017. [Providers in the Child Care Subsidy System](#). Washington, DC: Urban Institute.
- Sandstrom, Heather, Catherine Kuhns, Sarah Prendergast, Teresa Derrick-Mills, and Laura Wagner. 2024. [Parental Search and Selection of Child Care and Early Education: A Literature Review. OPRE Report 2024-082](#). Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, US Department of Health and Human Services.
- US Department of Health and Human Services. 2023. [2023 Poverty Guidelines: 48 Contiguous States \(All States Except Alaska and Hawaii\)](#). Washington, DC: Office of the Assistant Secretary for Planning and Evaluation.
- US Department of Health and Human Services. 1998. [Child Care and Development Fund: Final Rule](#). 45 CFR § 98.1. Washington, DC: Office of Child Care, Administration for Children and Families.

## About the Authors

Alicia González is a research assistant, Justin B. Doromal is a senior research associate, and Elli Nikolopoulos is a research analyst in the Family and Financial Well-Being Division at the Urban Institute.

## Acknowledgments

This brief was funded by the Administration for Children and Families (ACF) of the United States (US) Department of Health and Human Services (HHS) as part of a financial assistance award (Grant Number 90YE0298) totaling \$1,200,000 to date, with 100 percent funded by ACF/HHS. The contents are those of the authors and do not necessarily represent the official views of, nor an endorsement by, ACF/HHS or the US government. For more information, please visit the ACF website, [Administrative and National Policy Requirements](#). We are grateful to them and to all our funders, who make it possible for Urban to advance its mission. The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute’s funding principles is available at [urban.org/fundingprinciples](http://urban.org/fundingprinciples). Copyright © October 2025. Urban Institute. Permission is granted for reproduction of this file, with attribution to the Urban Institute.