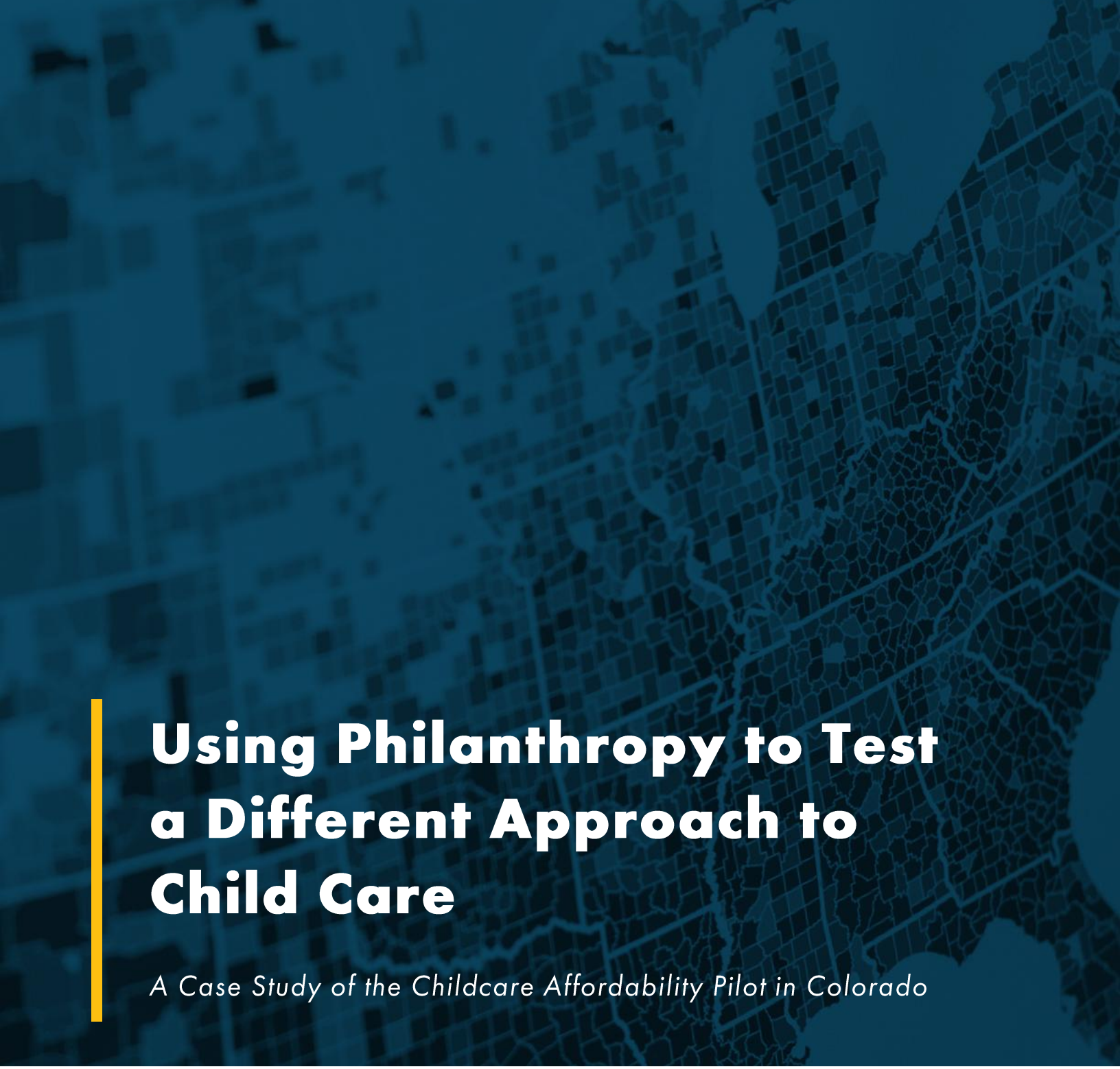


Using Philanthropy to Test a Different Approach to Child Care

A Case Study of the Childcare Affordability Pilot in Colorado

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Executive Summary

In fall 2025, Gary Community Ventures launched the Childcare Affordability Pilot (CAP) to test approaches to help Colorado families afford and access child care. CAP tested several features, including providing funds directly to families, giving families flexibility over how they used those funds, supporting family, friend, and neighbor (FFN) providers, and using technology to minimize administrative and payment burdens. Philanthropically funded, CAP operated independently of Colorado's Child Care Assistance Program and served families who were not already receiving state child care subsidies. Unlike the state program, CAP did not require families to meet work or education requirements.

Sixty-two child care providers and 57 children ages 3 and younger participated in the pilot. CAP provided eligible families with monthly funds through a digital wallet that they could use to pay a child care provider of their choice. Providers received payment in advance based on scheduled care and could set their own rates, up to $160 a day. CAP initially accepted families using centers, licensed family child care homes, or FFN providers, but during implementation shifted its focus to FFN care. Most participating families ultimately used FFN providers.

The Urban Institute conducted a case study of CAP examining how it was implemented, how families and providers experienced it, and recommendations for organizations and policymakers considering similar approaches. The findings in this report draw on administrative data and interviews with families, providers, early childhood education systems leaders, and CAP staff.

Key Findings on CAP's Implementation

Urban's key findings on the implementation of CAP included the following:

- **Parents valued the flexibility of the funds and the access CAP gave them to trusted care.** Families reported that CAP reduced the financial and logistical stress of arranging child care and supported their ability to work or go to school, and particularly valued the ability to use funds for FFN care. Weekly scheduling and attendance reporting worked well for many families but was less well suited to families with unpredictable care needs.
- **Providers valued the financial support and advance payments, but for some the flexible care scheduling made payment less predictable.** Providers generally found CAP payments timely

and transparent and valued being compensated for FFN care that might otherwise have been unpaid. At the same time, changes in families' care schedules led to fluctuations in payment amounts some received, leading to implications for their financial stability.

- **Parents and providers generally found the CAP application manageable and the digital wallet easy to use.** Modular technology (different platforms for different functions), automation, and AI-supported document review streamlined the application and approval processes for CAP staff, while electronic payments and payment histories improved transparency for families and providers.
- **The experiences of FFN providers differed widely.** Family, friend, and neighbor providers' experience, training, technology use, scale of care, and relationships with families differed substantially. Required training and other administrative processes could be burdensome, particularly for providers with substantial caregiving experience but limited familiarity with formal child care systems. And when providers and parents were relatives or otherwise closely connected, payment and attendance expectations could be complicated by the underlying relationship.

Recommendations for Future Efforts

The case study findings suggest that organizations and policymakers can draw lessons from CAP's individual design features. Which features are appropriate to adopt or test will depend on program goals, populations served, funding sources, applicable requirements, and local implementation capacity. The following five broad lessons for organizations and policymakers considering similar approaches to providing child care assistance emerged from our case study:

- **Preserve flexibility while strengthening guidance and administrative supports for providers and families.** Flexible assistance can be better tailored to how families arrange care, particularly for FFN providers, but families need clear guidance and simple processes for managing changing schedules, budgets, attendance, and payments.
- **Design FFN providers' participation around their wide range of backgrounds.** Requirements, training, and ongoing supports should reflect the differences in FFN providers' experience, relationships with families, types of care, and familiarity with formal child care systems.

- **Build technology around the user experience and child care system requirements.** Technology can reduce burden and improve transparency for participants and program administrators. A modular approach can allow programs to replace or upgrade technology components (as funding and program rules allow) without redesigning the entire system. Implementing this approach would require a technically savvy project manager who can coordinate technology components and adapt them as program needs evolve without requiring software engineering teams to design custom-built technology.
- **Continue testing program features across contexts and funding arrangements.** Further testing can help organizations and policymakers determine which features, such as streamlined applications, flexible payment approaches, or technology-enabled administration, are feasible and useful in different policy and funding environments.
- **Improve programs through partnerships and continuous feedback.** Families, providers, administrators, state and local agencies, and other stakeholders can identify practical challenges that may not be apparent from administrative data alone and help programs adapt before challenges become entrenched.

CAP demonstrated the potential of multiple innovative features of a child care assistance program, including flexible or family-directed child care assistance, leveraging technology to streamline administrative processes, and explicitly including FFN care to expand families' access to care that meets their needs. At the same time, Urban's case study found that the features that created value, including flexibility, FFN inclusion, and advance payments, also created implementation challenges that must be addressed for these features to be sustained or scaled. CAP can be best understood as a test of these innovations rather than a model to replicate wholesale. Some features, such as the family-directed model for FFN care, may be feasible to adopt through new or flexible funding streams, while integrating them with CCDF or other existing systems will require further testing to assess policy, administrative, and technology requirements. Further testing can help policymakers and administrators identify which features are most promising and how to adapt them to different child care and funding contexts.

Using Philanthropy to Test a Different Approach to Child Care

In fall 2025, Gary Community Ventures launched the Childcare Affordability Pilot (CAP) to test a different approach to helping Colorado families afford and access child care.[1] Rather than replacing the state's child care subsidy system, CAP tested different design elements, including providing funds directly to families, providing flexibility in how families could use those funds, supporting family, friend, and neighbor (FFN) care, and using technology to create simple application and payment processes. The pilot ran from fall 2025 through early summer 2026.

CAP was developed in response to persistent challenges in Colorado's child care system, including limited availability and affordability of care, gaps in assistance for families using FFN care, and administrative processes that can make child care assistance difficult to access and use.[2] These challenges also raise broader questions about how child care assistance can respond to families' varied circumstances and the caregivers they rely on. The Child Care and Development Fund (CCDF),[3] the primary federal program that helps families with low incomes afford child care, plays a critical role in helping parents afford care, support parental choice, and work or pursue education (Adams et al. 2026). Federal policy allows states to use CCDF funds to support a range of providers, but participation, particularly for licensed-exempt and relative caregivers, varies widely across states (Dwyer and Adams 2024; Jimenez Parra et al. 2026). State policy choices, administrative capacity, and resources shape how the subsidy system supports different providers and how easily families and providers can access and use assistance. At the same time, limited funding constrains the overall reach of child care assistance. In Colorado, these challenges were particularly salient, including periods when enrollment in the Colorado Child Care Assistance Program (CCCAP) was frozen in some counties because of inadequate funding.[4]

These broader questions are especially relevant for families who rely on FFN caregivers. Families may choose these arrangements because of established relationships, cultural or linguistic connections, affordability, or the availability of care during evenings, weekends, and other nontraditional hours. Public assistance can support these arrangements, but program requirements and administrative processes can affect whether and how caregivers participate. For families using FFN care, access to assistance depends not only on whether providers are eligible to participate, but

also on whether program requirements and payment processes fit their circumstances. CAP was intended to test approaches to some of these challenges (not to address all of the broader system's limitations) and to generate lessons for future investments and policy. By combining direct funding to families, flexibility in choosing care arrangements, support for FFN providers, and streamlined application and payment processes, CAP tested an approach designed to give families flexibility and make assistance easy to navigate and use. Although these design features are not necessarily new individually, examining them together offers an opportunity to understand how they work in practice and what other communities might learn from implementing similar approaches.

This report presents findings from an Urban Institute case study examining CAP's design elements and goals, implementation, and parents' and providers' experiences. Informed by those findings, the report also provides insights into the CAP model's sustainability and scalability for organizations interested in implementing similar approaches in other communities. The report examines three research questions:

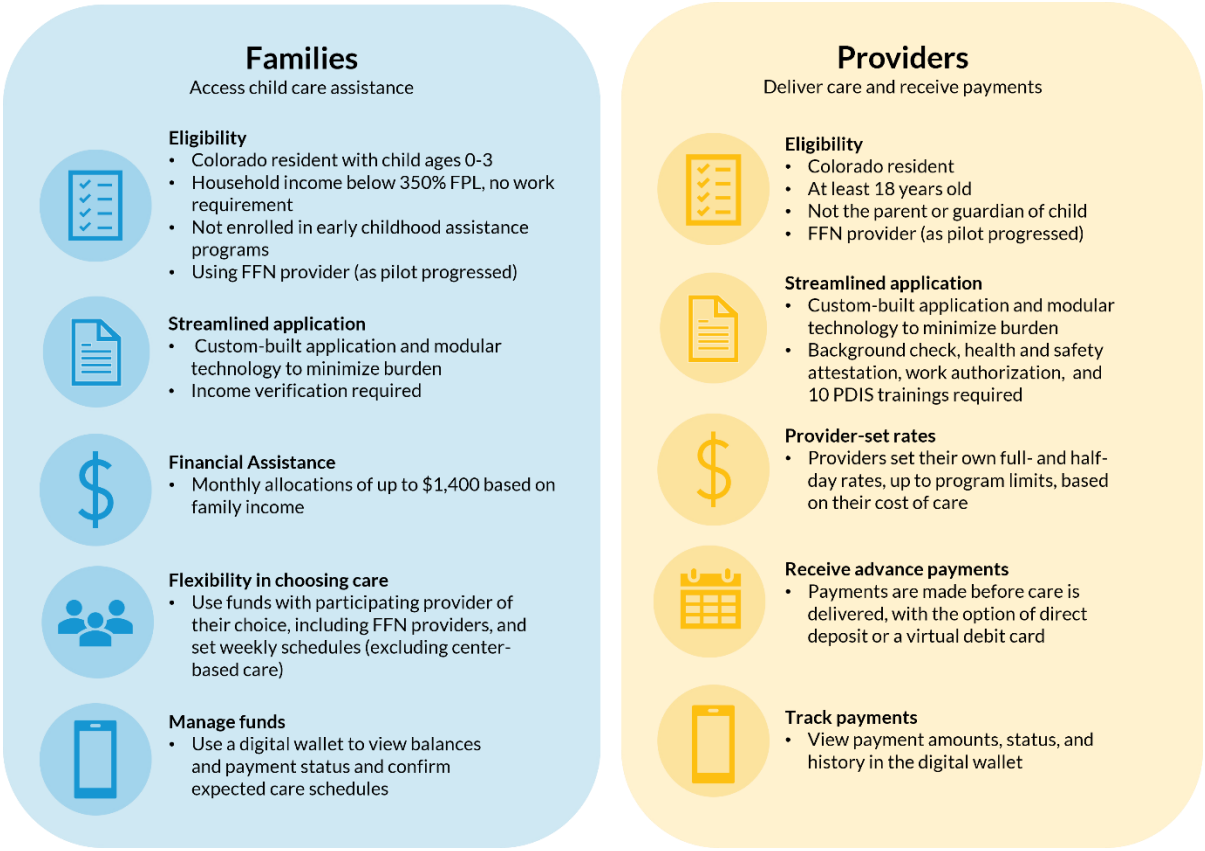
1. How did CAP's different design features work in practice?
2. How did families and providers experience CAP?
3. What lessons from CAP and its features may be relevant to other communities or organizations trying to improve access and affordability, particularly for FFN care?

What Is CAP?

CAP was funded through Gary's philanthropic resources. The pilot was independent of the CCDF and targeted families who were not already receiving state child care subsidies, although CAP generally aligned its income eligibility requirements with those used for CCDF-funded child care assistance.[5] Unlike CCDF, CAP did not require that families be working or pursuing education. This allowed Gary to test alternative ways to deliver child care assistance to families who met the income-eligibility criteria but were not accessing the existing system. Figure 1 summarizes CAP's key family-facing and provider-facing components.

FIGURE 1

The Colorado Childcare Affordability Pilot at a Glance



Source: Gary Community Ventures' Colorado Childcare Affordability Pilot.
Note: FFN = family, friend, and neighbor. FPL = federal poverty level. PDIS = professional development information system.

Eligible families received a monthly allocation of $500 to $1,400, based on child age, care type, household size, and family income, to pay providers through an online digital wallet. Unlike arrangements in which assistance is administered primarily through payments to providers, CAP gave families a direct role in managing their allocated funds and scheduling their weekly expected care through the digital wallet. Payment arrangements varied by provider type. Family, friend, and neighbor providers and licensed home-based providers set their own full-day and half-day rates, up to $160 a day, and received payment before delivering care. Centers were paid through a separate lump-sum process based on their tuition rates and were exempt from the $160 daily cap. For all provider types, CAP payments were limited to the family's available subsidy, and providers could collect any remaining tuition through their normal billing practices.[6] The technology was modular, with different platforms used for different functions rather than one integrated vendor, giving Gary flexibility to replace platforms as technologies evolved, avoid long-term reliance on a single large vendor, and maintain greater control over data and vendor costs.

The pilot's focus on FFN care evolved during implementation. Gary initially recruited families across a range of child care arrangements, including licensed centers, licensed family child care homes, and FFN providers, including relatives and non-relatives. In response to early application patterns and Gary's interest in testing approaches to support FFN care, recruitment shifted to FFN providers only, and the pilot ultimately accepted only FFN providers. However, center-based and licensed home-based providers who were already approved continued to participate until the end of the pilot. Most participating families therefore used FFN care, although the pilot included some families using licensed providers.

Who Was Eligible for CAP?

To participate, families had to live in Colorado, have a child 3 or younger, meet CAP's household income requirements, and not already be enrolled in the state child care subsidy or a similar program. Families with incomes at or below 200 percent of the federal poverty level (FPL) received the full allocation, while families with incomes above 200 percent of the FPL received a lower amount that decreased to 75 percent of the full amount at the maximum income threshold of 350 percent of the FPL. Eligibility was determined at the child level, so a family with an eligible child could participate even if other children in the household did not meet the criteria; however, the CAP funding applied only to eligible children. Families submitted documentation of their child's age, residency, and income; families already receiving benefits through Medicaid, SNAP, TANF, or WIC could use documentation of those benefits to verify their income. Receiving those benefits was not required to participate in CAP.

Providers also had to meet participation requirements. They had to live in Colorado, be at least 18 years old, be authorized to work in the United States, and not be the child's parent or guardian. Providers applied online and submitted identity documentation and a W-9. Before receiving final approval, providers and all adults in their household had to pass a background check and complete a digital Health and Safety Attestation to confirm the home environment was safe for young children. Providers also had to complete 10 online training courses through the Colorado Shines Professional Development Information System.[7]

The Motivation for CAP's Design

Families face several challenges with Colorado's early care and education system that can affect their access to and experiences with child care, including limited availability and affordability of care, challenges accessing financial assistance to support families using FFN care, and administrative processes that can make child care assistance difficult to access and use. Gary staff and leaders shared their perspectives on how certain aspects of CAP could address some of these challenges, including the following:

- **Support for FFN care.** CAP ultimately focused on FFN care as Gary recognized that families may choose informal care because of their relationships with trusted caregivers, for cultural or linguistic fit, or because of a need for care that accommodates variable or nontraditional work schedules. Family, friend, and neighbor providers can participate in CCCAP as qualified-exempt providers, but participation is low (Jimenez Parra et al. 2026). CAP generally aligned its income eligibility requirements with those used for CCDF-funded assistance but did not require families to meet the same work or activity requirements, thus making the program available to a broader range of families. CAP also represented an opportunity to explore FFN providers' participation in a program designed to include them.
- **Flexibility and control for families.** CAP gave families control over how they used their child care assistance, including over which providers they used (as long as they were approved by CAP), and enabled them to confirm care schedules through the digital wallet. Leaders viewed this flexibility as particularly relevant for families whose child care needs may change from week to week and for FFN caregivers.8
- **Minimal administrative burden.** CAP used simple application and enrollment processes for families and providers and streamlined review processes for program administrators. These features were intended to make it easy for families and providers to participate while minimizing administrative burden for those administering the assistance.
- **Payment transparency**. The digital wallet gave families and providers visibility into available funds and payment statuses. Advance payments, weekly for FFN and licensed home-based providers and monthly for center-based providers, were intended to support providers' financial stability. In addition, allowing parents to adjust their schedules weekly meant payments could reflect the care families needed. Together, these features were intended to make child care assistance family-centered, allowing families an active role in setting their

child care hours while supporting providers using prospective payments aligned with their business models.[9]

- **A design with parents and providers in mind.** Gary staff shared that, through Colorado Design Insight Group, input from parents and providers (including FFN providers specifically) was intentionally incorporated while CAP was being designed.[10]
- **A design with Colorado's existing infrastructure in mind.** Gary staff also shared that, where possible, they designed CAP around existing infrastructure to better test the program's feasibility within the state context. They aligned training requirements with the state's professional development platform, aligned health and safety requirements with those required by CCCAP with a few modifications, and targeted the program to families with low incomes.

BOX 1

Case Study Methodology

Urban's case study of CAP included two key activities: analysis of administrative data and interviews with key stakeholders. This report integrates findings from these activities to examine CAP's design, its implementation, and parents' and providers' experiences with it.

Administrative Data Analysis

Urban conducted descriptive analysis of administrative data provided by Gary Community Ventures to examine CAP participation and implementation. The study team analyzed participant characteristics and implementation metrics, including application completion and other program requirements, attendance, payment rates, and the frequency and variability of care.

Stakeholder Interview Data Collection

Urban also collected primary data through interviews with four stakeholder groups: Gary Community Ventures staff involved in CAP's design and implementation; systems leaders with knowledge of Colorado's child care system; and parents and providers who participated in the program. The study team conducted virtual semistructured interviews with these stakeholders and analyzed the interview data thematically using NVivo. Table A.1 in the appendix summarizes the case study sample and interview topics. The appendix also provides additional demographic information on parents and providers who participated in the study.

Implementing CAP

Urban's analysis of administrative data and stakeholder interviews sheds light on how CAP was implemented, including where it worked well for participants and where there were implementation challenges. In this section, we describe what the administrative data and interviews reveal about CAP's application and enrollment process; participants' experiences with the digital wallet, including scheduling care, making and receiving payments, and documenting attendance; and patterns in payment data, including the consistency of providers' payments, how families used funds, and how providers set rates differently. Where possible, we distinguish between relative FFN (that is, FFN care provided by a relative), non-relative FFN, center-based care, and licensed home-based care to discuss how parents' and providers' implementation experiences differed across these provider types.

CAP Participants

Sixty-two providers and 64 children were approved for CAP.[11] Of the 64 children approved, 57 actually participated in the program, defined as having approved status and enabled payments. Most participating children were Hispanic and 1 or 2 years old, and most of their families' preferred language was English, followed by Spanish. Participating families had incomes ranging from at or below 100 percent of the FPL to up to 350 percent the FPL. More than half were using FFN care when they applied and reported needing child care because they were looking for work, working, or attending school.

Most of the 62 approved providers were FFN providers, and more than half of FFN providers were related to the participating child. Most providers' preferred language was English, followed by Spanish. Fewer than half of FFN providers reported not being paid for care when they applied to CAP, and providers who were being paid before CAP reported mixed satisfaction with that pay. The appendix provides demographic information on parents and providers who participated in CAP. As noted above, CAP initially accepted all provider types before shifting its focus to FFN care. The pilot therefore included licensed home-based providers and center-based providers as well as FFN providers, each of which has different relationships with children, business structures, and experiences with child care systems.

The CAP Application

To understand parents' and providers' experiences with CAP's streamlined application and enrollment process, we drew on application data and interviews with parents, providers, and Gary staff.

CAP's Use of Modular Technology, Automation, and AI-Supported Document Review Resulted in Efficient Submissions, Reviews, and Eligibility Determinations

After testing multiple vendors, Gary staff selected vendors based on the needs of individual components of the application and enrollment process, including income verification, background checks, and the application platform. Gary's internal software engineers ultimately built the CAP application using Appsmith and AI optical character recognition. According to internal documentation, parents could complete the application in approximately 10 to 15 minutes. The AI optical character recognition conducted an initial review of submitted documents, checking dates, required information, and preliminary eligibility, while color coding helped staff quickly identify completed elements, eligibility, and missing documentation. Automated communications were tailored to applicants' application and documentation status, and staff conducted final accuracy checks. Gary staff shared that the optical character recognition and automated communications supported efficiency and accuracy when reviewing applications. Drawing on information gathered through interviews with CCCAP county staff and internal testing comparing workflows with and without technology and process improvements, Gary staff estimated that their approach reduced document review time by 40 percent and approval times by 50 percent.

Administrative data showed that 93 percent of family applications and 91 percent of provider applications were submitted the same month they were started. Among families ultimately approved, the median time to the first decision from CAP (approved, ineligible, or wait-listed) was 0 days, and the median time to approval was 13.5 days. Among providers who were ultimately approved, the median time to first decision was 18 days and the median time to approval was 18.5 days. The longer wait times were a result of time on the waiting list for the program.

CAP Participants Generally Found the Application Manageable but Felt the Process and Requirements Were More Burdensome for Providers

Most parents and several providers described the application process, including what information to provide and uploading documents, as relatively easy or manageable, with one parent describing it as "very user-friendly." Parents and providers generally considered the CAP help desk useful, although one provider felt support was less available after the initial onboarding period.

Some participants felt the process was more burdensome for providers than for parents, partly because providers faced additional requirements for approval and partly because completing the application required coordination between them. Two parents shared that because of providers' lower

technical literacy, they had to coordinate closely with their relative provider to remind them about and help them navigate application requirements.

Providers' primary challenges involved completing required trainings before they could enroll and receive payments. Some providers felt those requirements did not adequately account for their experience, credentials, or knowledge. Others described challenges navigating the Professional Development Information System website, frustration about the training volume, feeling overwhelmed by having to complete the training independently, and meeting the timeline for participation.

The Digital Wallet

The digital wallet, which participants could access online, was the primary platform for managing care schedules, payments, and account information. Beyond facilitating payments, the wallet gave families direct visibility into their available funds, scheduled care, and payment history, placing the management of child care assistance in their hands. The payment process differed by provider type. For FFN and licensed home-based care, parents entered the care they expected to need the following week, and providers received payment in advance based on that schedule. At the end of the week, parents and providers submitted attendance reports documenting the care provided. However, attendance reports did not determine payment amounts: payments were based on scheduled care rather than actual attendance, and differences between scheduled and reported care did not result in payment adjustments.

Center-based providers followed a different process. They received monthly lump-sum payments based on tuition rates, which were not adjusted for daily absences. Families reported attendance weekly, while centers reported attendance for the previous month. As with other provider types, attendance reporting documented whether care occurred but did not determine payment amounts.

The digital wallet allowed families to view their remaining balance, payment status, and payment history. Together, the administrative data and stakeholder interviews provide insight into how families and providers experienced the digital wallet, including setting care schedules and documenting attendance. These data support our understanding of what worked well for participants and where additional resources or programmatic refinement could improve participants' experiences.

Parents and Providers Valued the Digital Wallet's Ease of Use and Payment Transparency, and Found the Help Desk Supportive When Technology Challenges Arose

Parents and providers generally described the digital wallet as easy to set up and use. They appreciated the electronic payments and automatic deductions from account balances, which reduced some of the administrative work associated with cash or check payments. They also valued being able to view balances, payment status, and payment history. A small number of participants experienced technical issues but resolved them with help desk support.

Weekly Scheduling Gave Parents Flexibility to Manage Their Care, but Was Less Well Suited to Families with Unpredictable or Consistently Recurring Schedules

We examined trends in administrative data and interviewed parents and providers to understand whether weekly scheduling was burdensome for parents and whether the process supported their use of child care that met their needs. For FFN and licensed home-based care, families selected their expected care days weekly, while centers used monthly payment and scheduling arrangements. For 99 percent of care days during the CAP program, parents submitted their needed care on or before the day of care. The mean time between submitting a care schedule and the day of care was 5.36 days, suggesting that families generally met the requirement to set their care days ahead of time.

Parents' experiences with the weekly scheduling requirement were mixed. Families with consistent schedules and those with variable schedules both appreciated the flexibility it provided, although those with consistent schedules generally found it easier to manage. One parent with a consistent schedule would have preferred to enter care dates a month or more in advance and found having to confirm attendance burdensome because their care consistently matched the schedule they set.

For families with less predictable schedules, the system did not always accommodate changes after care dates had been entered. One parent with a nontraditional work schedule frequently needed to change the care hours they entered in the digital wallet. Because they and their non-relative FFN provider had a strong relationship, and because the provider received more money overall by participating in the program, both were comfortable with the ad hoc nature of the child care arrangement. CAP did not accommodate this flexibility well, however: the provider was paid based on the care scheduled at the beginning of the week rather than the care provided.

Parents and Providers Often Reported Attendance Differently, but the Differences Were Generally Small, and Interviews Revealed Challenges Documenting Complex or Changing Care Arrangements

Because attendance reports documented care rather than determining payments, differences between parent and provider records did not affect payment amounts. We examined attendance data and asked parents and providers about the reporting requirement, including its burden across provider types and the challenges it presented for FFN caregivers who may be less accustomed to formal reporting.

Parents submitted weekly attendance attestations for FFN, licensed home-based care, and center-based care. Family, friend, and neighbor providers and licensed home-based providers also submitted weekly attendance attestations, whereas center-based providers submitted monthly attestations. Parent and provider attendance records matched for 52 percent of full-day care records and 51 percent of half-day records. Despite the relatively low match rate, which means providers and parents regularly recorded care differently, the average difference between the number of days reported by parents and providers was small, ranging from less than 1 to approximately 5 days per month across provider types (table 1). The largest difference was for center-based care, where the average difference was 4.62 full days per month. This difference may partly reflect differences in reporting procedures: families using center-based care submitted weekly attendance reports, while center-based providers reported attendance for the previous month. Attendance reporting served to verify that care occurred, rather than to determine payments, as center tuition payments were not adjusted for daily absences.

TABLE 1

Monthly Average Difference Between Care Days Entered into the CAP Digital Wallet by Families and Providers, by Care Type

Provider type	Average difference between care days entered by families and providers (full days)	Average difference between care days entered by families and providers (half days)
FFN non-relative (*n* = 23)	1.16	0.43
FFN relative (*n* = 29)	1.53	0.69
Center-based (*n* = 4)	4.62	0.38
Licensed home-based (*n* = 8)	1.03	0.18

Source: Authors' tabulation of CAP administrative data provided by Gary Community Ventures.
Notes: CAP = Colorado Childcare Affordability Pilot. FFN = family, friend, and neighbor. The provider types are not mutually exclusive; some families used multiple types**.** Because the direction of the difference was not consistent, these averages represent the absolute value of the difference between provider and parent records. Families using FFN or home-based care reported attendance weekly, while center-based providers reported attendance for the previous month.

Interview findings suggest that changing schedules, nontraditional or overnight care, and uncertainty about how to classify care contributed to these discrepancies. One parent with a nontraditional work schedule said their schedule changed regularly during the week. Because of last-minute care changes, the parent and their provider may have counted those hours or care days differently. This parent recommended paying the provider retroactively based on the actual care reported in attendance attestations. In another case, a provider shared that they and a child's parent regularly disagreed about how to count overnight care, and reported attendance based on their own understanding of CAP's guidance.

These experiences, and the relatively large differences in the attendance-attestation gaps between centers and other provider types, suggest that additional guidance could help families and providers navigate reporting requirements, particularly those using care during nontraditional or variable hours and for different provider types (e.g., monthly attestations for center-based providers versus weekly attestations for FFN and home-based care). Clearer guidance could also help ensure program systems accurately reflect accurately capture differences between scheduled and actual care, particularly when schedules change.

Payment Patterns

Because payments were based on scheduled care rather than attendance, the timing and amount of payments depended on the payment arrangements for each provider type and, for providers receiving weekly payments, the care families scheduled in advance. The following findings examine how families used their allocations and how payment patterns varied across provider types.

Across Provider Types, Parents Generally Used Most of Their Allotted Funds

Understanding how families used their allotted funds provides insight into whether CAP's funding levels and payment structure supported families' ability to direct benefits toward their chosen care arrangements. Average unused funds ranged from $31 a month for centers and $32 for relative FFN providers to $52 for non-relative FFN providers and $184 for licensed home-based care. Unused funds could reflect that parents need additional guidance on budgeting for their monthly care. For example, one parent was sometimes confused about how to budget their care for the month given the variability in their child care needs and did not know whether, or how, funds rolled over when a month ended midweek. The existence of unused funds indicate that families may have selected the care they needed, rather than selecting care simply to max out their allocated funds.

Parents Used CAP Flexibly, but Variation in Care Schedules Made Payments Less Predictable for Some Providers

We examined monthly payment data to understand how families' care schedules shaped payment amounts, whether payments differed significantly for relatives and non-relatives, and the variability of payments, which has implications for providers' financial stability.

CAP distributed $438,804 across 1,319 payments. Based on the payment data, most children used only one provider while participating in the pilot; eight children used two providers, including within the same month.

Average monthly CAP payments differed across provider types, ranging from $850 for licensed home-based providers to $1,182 for center-based providers (table 2). Weekly payment amounts also differed within a given month (centers received a single lump-sum payment each month and therefore showed no within-month variation). For FFN and licensed home-based providers, the difference between their largest and smallest weekly payment in a given month averaged $80 to $181, which may reflect week-to-week changes in families' care schedules or other factors affecting payment amounts. Although these data do not capture providers' total income from other children or funding sources, they suggest CAP payments may be less predictable for some providers, with potential implications for their financial stability.

TABLE 2

Average CAP Payments by Provider Type and Differences in Weekly Payment Amounts

Metric	FFN (relative)	FFN (non-relative)	Licensed home-based	Center-based
Mean monthly payment total	$1,078	$910	$850	$1,182
Average difference between highest and lowest weekly payment in a month	$181	$138	$80	—

Source: Authors' tabulation of Colorado Childcare Affordability Pilot administrative data provided by Gary Community Ventures.
Notes: CAP = Colorado Childcare Affordability Pilot. FFN = family, friend, and neighbor. Centers received one lump-sum payment each month.

Parents and providers shared few challenges with making or receiving payments and appreciated the ability to view payment status and history through the digital wallet. However, participants described complicated dynamics that can arise in FFN arrangements, where the person authorizing payment and the person providing care may be family members or otherwise closely connected. For example, one relative FFN provider shared that because they had a complicated personal relationship with the parent of the child, they felt like they were always "walking on pins and needles" waiting for

the payment to be made. One provider described how a difficult personal relationship with a parent could create uncertainty around payment and how differences between the care hours initially agreed upon and those ultimately used affected the provider's financial stability.

Family, Friend, and Neighbor Providers Set a Range of Rates, with Relative Providers Charging Somewhat More on Average Than Non-Relative Providers

Comparing FFN payment rates provides insight into whether relative and non-relative providers set rates differently and how providers priced care in the absence of formal business models or a requirement to use the maximum available rate. Relative FFN providers set an average full-day rate of $93 per child, compared with the $86 set by non-relative FFN providers, and rates differed considerably within both groups (table 3).

TABLE 3

CAP Payment Rates for Family, Friend, and Neighbor Child Care, by Relative Status

Type of rate	Minimum	Maximum	Mean	Median
FFN (non-relative)				
Full day	$40	$160	$86	$63
Part day	$25	$120	$50	$35
FFN (relative)				
Full day	$42	$160	$93	$85
Part day	$21	$160	$58	$50

Source: Authors' tabulation of Colorado Childcare Affordability Pilot administrative data provided by Gary Community Ventures.
Note: FFN = family, friend, and neighbor.

Though this cannot be said definitively, the within-group variation may indicate that providers set rates based on their cost of care and needs rather than by simply selecting the highest available rate. In addition, the higher rates set by relatives might reflect that they are more likely to care for only one child, whereas non-relative FFN providers, who may care for multiple children, may be paid for more than one child and therefore able to afford to set lower per-child rates.

Providers discussed the considerations in setting their rates, including the time, responsibility, and work involved in providing care; their experience and previous rates; what they believed other providers charged; and what they believed families could afford. Some providers had limited understanding of how they set their rates and did not remember setting them as part of the application process.

Perceived Benefits of CAP

For Families

Families highlighted CAP's ease of use and discussed two main types of benefits of the pilot.

General Financial and Practical Benefits

CAP made child care more affordable, reduced financial and logistical stress, and helped parents work more, return to work, attend school, and pursue career goals with greater stability. The financial support also eased difficult child care decisions. One parent called the difference "*an insane difference*," explaining, *"I was actually able to afford it."* Overall, parents described CAP as having a meaningful positive impact on their lives. As one parent reflected, *"It literally changed my entire life. And it kind of just happened to happen at a perfect time … it literally saved our lives."*

Benefits of Care from Relatives and Other Trusted Caregivers

CAP allowed families to use trusted relatives, friends, and other caregivers; maintain continuity of care; fairly compensate providers; and preserve flexible arrangements for evening, weekend, or other nontraditional schedules. One parent explained how CAP made trusted care possible when other options felt unaffordable or unsuitable:

> *"I wouldn't have felt confident enough to leave him with anyone when he was just a few months old—and perhaps I wouldn't have had the money to leave him somewhere else, like a nursery or day care—or with someone I didn't know."*

Parents also emphasized that CAP reduced the stress and guilt of relying on free or very low–cost care from family or friends. Its flexibility was especially valuable for families with nontraditional work schedules. One parent noted, *"Being in this program allowed us to go back to that and gave us more flexibility for us to advance our careers because like I said, nannies and child care facilities don't want to do nights and weekends, so it gave us a lot of really awesome flexibility."*

For Providers

Providers likewise described CAP's administrative processes as easy to navigate and identified several key benefits.

Financial Benefits and Consistent Payments

CAP's financial support helped FFN providers cover care-related costs and other household expenses. Family, friend, and neighbor providers identified weekly payments as a key benefit. They valued both the payment cadence and receiving payment before providing care. One provider especially appreciated that payment was based on the care scheduled at the beginning of the week rather than attendance, noting that this approach recognized providers' reliance on anticipated income. Providers also generally described payments as timely and predictable. One provider explained, *"During that time … there was an income that I could count on, and I felt a little more at ease with my own financial situation."*

Inclusion of FFN Providers

CAP is unusual in that it actively prioritized and encouraged FFN providers to participate. Those providers valued both their inclusion and the program's recognition of parents' preferences for trusted caregivers. For some relative FFN caregivers, the compensation that CAP provided also eased the strain of providing care without adequate pay and helped them recognize caregiving as meaningful work:

> *"Honestly, I never expected this help, and it came at a really good time. It was a lot of help, and I appreciate it."*

Professional Development

Some FFN providers said the 10 training courses they had to take to participate in CAP strengthened their knowledge and quality of care. Two providers said the trainings expanded their knowledge of child safety and development. Some reported gaining new skills and becoming more interested in continuing to provide child care or pursuing additional training or licensure. One provider reflected,

> *"I learned a lot … I started knowing zero, knowing what you know as a mother. Now I'm creating weekly activities … I learned that here … I started caring for children without CAP, and when I joined CAP, I continued strengthening my learning."*

Overall, providers, and particularly FFN providers, described CAP as improving their financial stability and professional development.

Recommendations for Policy, Practice, and Future Testing

Our case study findings suggest several lessons for organizations and policymakers seeking to improve the affordability, flexibility, and administration of child care assistance. Rather than replicating CAP wholesale, jurisdictions can adapt individual features of the pilot, such as family-directed assistance, support for FFN providers, and technology-enabled administration, depending on their programs' goals, populations, funding sources, and administrative structures. Where new or flexible revenue streams become available, these features could complement existing assistance programs and address local gaps.

For other jurisdictions, CAP offers a practical opportunity to examine features that may be difficult to test within established program structures, including family-directed assistance, explicit support for FFN providers, advance payments, transparent payment information, and technology-enabled administrative processes. These features raise different policy questions: whether assistance can better accommodate families' actual care arrangements; whether FFN providers can participate without requirements that are hard to navigate; and whether administrative processes can be simplified while maintaining appropriate oversight. The findings also illustrate why these questions should be considered together. Flexibility can expand families' options, for example, but it also requires clear expectations and workable processes for scheduling, documenting care, and paying providers. The lessons below identify opportunities for adapting individual features to local needs, as well as questions that warrant further testing before broader adoption.

Table 4 summarizes our recommendations for the Colorado Department of Early Childhood, other jurisdictions, like counties, and philanthropy, distinguishing between features of CAP that are ready to be adopted and those that need further testing. Jurisdictions' readiness may depend on available funding, applicable program requirements, and local implementation capacity. Below we discuss the evidence and implementation considerations underlying the recommendations in table 4.

TABLE 4

Recommendations for the Colorado Department of Early Childhood, Other Jurisdictions, and Philanthropy on Improving Child Care Assistance

Audience	Ready to adopt now	Needs further testing
Colorado Department of Early Childhood and other jurisdictions, like counties	The CAP features below can be implemented with a new or flexible revenue stream. A family-directed model for FFN care, with the following strengthened supports: ■ Provide families using FFN care with clear guidance on budgeting their allocation and accounting for overnight and nontraditional-hour care. ■ Offer in-person support alongside help-desk support to help families navigate program requirements and resolve questions. ■ Allow FFN providers to demonstrate relevant knowledge through multiple pathways, including using prior credentials and experience to satisfy program requirements. ■ Tailor training content and formats to providers' needs, and provide continued support after training concludes. ■ Provide downloadable payment reports and monthly or year-end summaries for providers. Advance payment for providers: ■ For FFN care, establish clear expectations at enrollment regarding scheduling, attendance, and how payment is handled when actual care differs from the schedule. CAP technology: ■ Prioritize burden-reducing **modular technology** that fits existing systems, such as for real-time application status, save-and-return applications, and automated communications. ■ Continue using **digital wallet** technology to facilitate transparency of payments.	■ Test integration of CAP with CCDF or other existing early childhood systems. ■ Test a digital health and safety attestation with a background check as an alternative to home visits for FFN providers where permitted under applicable requirements.[a] ■ Assess how to appropriately balance simplified or less frequent attendance reporting while maintaining appropriate accountability. ■ Test safeguards or third-party payment processes when parents control payments to relatives or close contacts. ■ Pilot individual CAP features, such as a family-directed benefit for families on CCDF waitlist or FFN-specific supports, at a small scale before adopting them at larger levels.
Philanthropy	■ Continue funding pilots of program features rather than entire models, incorporating continuous feedback from families, providers, and administrators.	■ Fund small-scale tests integrating family-directed assistance with other funding sources using digital wallet technology, documenting the policy, data-sharing, and tech requirements. These tests take strong partnership with state/local agencies. ■ Support tests that isolate the effects of particular design choices (e.g., payment timing, simplified attendance) on provider stability and administrative burden. ■ Support longer and larger pilots across more communities and provider types.

Source: Authors' recommendations from 2026 Urban Institute case study of Colorado Childcare Affordability Pilot.
Notes: CCDF = Child Care and Development Fund. FFN = family, friend, and neighbor. [a] CCDF requirements differ by state.

1. Preserve Flexibility While Strengthening Administrative Supports

Support Flexibility and Provide Clear Guidance for Families

Families and providers valued CAP's flexibility, including the ability to choose care arrangements, adjust schedules, and view available funds in the digital wallet. Although other child care assistance programs generally allow parents to select the child care provider of their choice, CAP offered additional flexibility for FFN and licensed home-based care by allowing parents to set schedules and pay week to week. This was particularly valuable for families needing a trusted FFN provider or care that accommodated nontraditional work schedules and other circumstances. At the same time, families sometimes needed more flexibility to respond to changing schedules and more guidance on how program rules applied to their circumstances. For example, families asked how to distribute their monthly allocation, how payments would be calculated, and what would happen when care overlapped monthly allocation periods or involved overnight care.

Future models could preserve this flexibility while making it easier for families to navigate changing schedules, understand their available funds, and document care. CAP participants suggested offering more flexible ways to enter or edit care dates, making attendance reporting simpler or less frequent, providing clearer guidance on budgeting and nontraditional-hour care, and offering in-person support in addition to help-desk assistance. These changes could help ensure flexibility in how families use assistance is matched by clarity in the rules and processes for managing it.

Offer Predictable Payments and Supports for Different Providers

Flexibility for families also needs to be balanced with predictable and manageable payment processes for providers. Providers participating in CAP consistently valued the advance payments, but their experiences highlight the need for clear expectations about scheduling, attendance, payment responsibilities, and adjustments when actual care differs from planned care. Some FFN providers reported challenges navigating payment processes, particularly when family members arranged care and managed payments. For example, one provider was confused about why payments were routed through her daughter before reaching her, while another was uncertain about when a family member would authorize payment. These experiences suggest that payment arrangements can become more complicated when the people providing care, receiving payment, and authorizing or initiating payment are relatives or otherwise closely connected. Future models should consider how to provide timely, predictable payments while clearly defining families' and providers' respective responsibilities, explaining how changes in care schedules affect payment amounts, and establishing straightforward processes for resolving payment questions and disputes.

Providers' needs may differ depending on the type and scale of care they provide. Relatives caring for one or two children may have different financial arrangements and administrative capacity than providers operating larger home-based businesses or child care centers. For larger providers, predictable payments can be especially important for managing ongoing business expenses, including staff compensation. The few larger providers that participated in CAP were able to take on participating children because the payment approach resembled their arrangements with private-paying families, who often pay in advance for the month.

CAP participants identified opportunities to strengthen the program's financial and administrative tools for providers, such as downloadable payment and revenue reports and monthly or year-end summaries. Future iterations of the program could also explore how to tailor these tools and supports to different provider needs while maintaining straightforward requirements for documenting care and ensuring payments correspond to services provided.

2. Design FFN Participation Around the Wide Range of Backgrounds of FFN Providers

Including FFN providers in child care assistance programs can expand families' access to care that meets their needs. Parents who participated in CAP valued being able to pay a provider of their choice, particularly when they needed nontraditional-hour care, a trusted caregiver for a child with specific needs, or a linguistic or cultural match. This finding suggests family-directed assistance may be especially useful as a complement to existing subsidy approaches for families relying on FFN care.

Designing programs for FFN providers, however, requires accounting for the substantial variation among this population. These providers range from relatives caring for one or two children to providers running larger home-based businesses that are legally exempt from state child care licensing; their caregiving experience, credentials, training, relationships with the children and families they serve, and familiarity with formal child care systems also differ substantially. Requirements and supports designed primarily for licensed providers or small businesses may therefore not be equally feasible or relevant for all FFN providers.

Those designing child care assistance programs could consider several ways to account for this range of backgrounds among FFN providers:

- **Offer multiple pathways for providers to demonstrate relevant knowledge and experience**. Programs can recognize providers' existing credentials, prior experience, and other evidence of their knowledge while maintaining health, safety, and quality standards. Research has

shown that FFN providers often have years of experience but may lack formal early childhood education training, and that accessible training and resources can help them enhance the care they provide (Angus et al. 2023). Programs could build on providers' existing strengths by requiring essential safeguards, such as background checks and health and safety training, while offering flexible options for demonstrating other competencies. For example, programs could allow providers with substantial informal child care experience to demonstrate essential competencies through an assessment rather than requiring them to complete lengthy training, while still offering all providers access to professional development opportunities.

- **Tailor training and professional development to providers' backgrounds.** Family, friend, and neighbor providers who participated in CAP described challenges with the volume and format of the required training, navigating the state's professional development system, and completing requirements in the available time. Programs could make their required training more accessible and appropriately tailored to providers' experience rather than assuming all FFN providers need the same content or level of support.
- **Provide ongoing support for navigating formal systems.** Providers' familiarity with CAP's technology, payment processes, reporting requirements, and other administrative systems differed. Support may therefore need to be offered beyond enrollment as providers encounter issues during participation.
- **Create opportunities for families and FFN providers to align their expectations at enrollment.** Aligning expectations around payment responsibilities, attendance, scheduling, and changes in care arrangements can prevent misunderstandings, particularly when parents and providers have preexisting relationships. Programs may also benefit from incorporating light-touch safeguards or check-ins throughout participation to ensure arrangements continue to meet the needs and expectations of providers and families and address concerns before they escalate.

CAP participants' experiences suggest expanding FFN participation in child care assistance programs requires more than extending existing child care assistance rules to a broader group of providers. Programs may need to balance having consistent expectations for all providers with offering different pathways for FFN providers to demonstrate their readiness to participate, appropriately tailored training, and administrative supports that meet their different needs.

3. Build Technology Around Families' Needs While Accounting for Requirements of Child Care Systems

Prioritize Functions That Reduce Administrative Burden for Participants and Align with Existing Systems

CAP's digital wallet and streamlined application approach illustrate how technology has the potential to reduce administrative burden while giving families visibility and control over their child care assistance. Parents and providers generally described CAP's application process as easy and quick. Gary staff identified features of the pilot that other programs could adapt, including centralized application review and follow-up, real-time status updates, the ability to save and resume applications, automated payments, and automation that accelerates staff reviews while retaining human verification through AI optical character recognition.

CAP used separate tools for applications, communications, background checks, and payments rather than a single end-to-end vendor. Although the pilot had some custom-built components, this modular approach was intended to let other ECE programs that might adapt CAP to replace or upgrade components as technology evolved without redesigning the entire system, a feature systems leaders saw as valuable. Those involved in future efforts could identify the functions that address the greatest sources of burden for families and providers and determine how to incorporate those functions into existing public or community-based systems. In particular, centralized application and case-management tools, automated communications, real-time status updates, and transparent payment information may apply to other systems. A modular approach could also allow programs to introduce these features incrementally as needs, resources, or system requirements permit.

Plan for the Capacity and Infrastructure Needed to Maintain Technology

Although CAP relied on dedicated software engineering capacity during initial development, its modular design was intended to make the system adaptable without requiring a complete redesign. Communities interested in adopting a similar approach may be able to use existing or configurable tools rather than developing every component themselves. They would, however, need sufficient technical and product management capacity, such as a technically savvy project manager, to select, connect, manage, and update components as technology and program requirements allow.

Configurable third-party platforms may offer an alternative for communities without the capacity to develop custom technology, but they would need to assess whether those platforms can accommodate local eligibility and payment rules, integrate with existing data systems, meet privacy and security requirements, and be adapted as program requirements change. In some cases,

communities may be able to combine existing applications, communications, case-management, and payment tools rather than developing new technology from the ground up. The challenge is ensuring these components work together within systems governed by multiple federal and state programs, each with different requirements and goals. Technology investments therefore need to account not only for initial development costs, but also for the ongoing capacity and resources needed to maintain, update, and govern the technology, as well as for maintaining cross-system integration and alignment as systems change.

4. Continue Testing the CAP Model Across Different Contexts and Funding Arrangements

Integrating CAP into Existing Child Care Programs Presents Significant Challenges

An important area for future testing is how a family-directed model could operate when families rely on multiple funding sources with different rules. Such a model was of interest to Gary, but CAP did not test it, and our findings therefore do not establish whether a shared technology infrastructure, such as the pilot's digital wallet, could give families a more seamless experience across funding sources or whether differences between assistance programs would make such integration impractical. Any effort to pursue this approach would likely require small-scale feasibility testing before broader implementation could be considered. Such testing could examine whether funding sources can be coordinated or combined while documenting their different policy, administrative, data-sharing, and technology requirements.

Integrating funding sources is complex because child care and early education programs serve different purposes and operate under different eligibility requirements, financing approaches, governance structures, and administrative rules. These differences are particularly important for supply-side programs, such as state prekindergarten and Head Start, which provide stable funding to support quality early education services. Such programs serve a distinct role because the private child care market does not consistently ensure access to high-quality early learning environments (Adams and Katz 2015).

The differences between child care and early education programs may also limit how much CAP's family-directed approach can be integrated into existing programs. Small-scale testing could distinguish technological and administrative challenges from underlying policy or program design constraints that technology alone cannot resolve. It could also clarify whether the CAP model can be

extended to new contexts and whether specific features of CAP can be incorporated into existing public programs.

Further Testing Could Be Conducted to Refine Specific Features of CAP

Future testing should examine particular CAP innovations, particularly when integrating the broader model into existing programs is not feasible or jurisdictions are seeking to address specific gaps. Features such as the digital wallet functions, streamlined application, provider payment approach, and simplified documentation could be adapted independently, depending on local program goals and constraints.

Testing features of CAP could also clarify which of the pilot's outcomes are attributable to design choices. For example, programs could examine whether changes to payment timing affect providers' financial stability, whether simplified attendance processes reduce administrative burden while maintaining appropriate accountability, or whether selected technology functions improve families' ability to understand and use their assistance. Different features may call for different testing approaches and partners. Philanthropy may be particularly well positioned to support iterative testing of new technology, which often requires continuous feedback, refinement, and a willingness to adjust approaches that do not work as intended. Government agencies, by contrast, can lead or partner in testing policies and processes, such as streamlined applications or presumptive eligibility, that could be integrated into existing public programs.

CAP also tested an alternative approach to onboarding FFN providers. The pilot used a digital Health and Safety Attestation paired with background checks rather than traditional home visits. Under federal law, states can pay relative FFN providers without requiring any health and safety standards, though they do require nonrelative caregivers who are exempt from licensing to have a home inspection, criminal background check, and basic trainings (Jimenez Parra et al. 2026). For states or communities where inspection or home-visit requirements apply to relative FFN providers under CCDF, this approach may warrant further examination as a potential way to reduce onboarding time and administrative burden. Further research should assess whether alternative processes can maintain sufficient health and safety protections while making participation more feasible for eligible providers, recognizing that requirements differ between states.

Counties and other entities with new or flexible revenue streams may also have opportunities to test particular innovations alongside existing child care assistance. For example, new local funding could support a family-directed benefit for families not served by existing subsidies or those relying on FFN or other informal care arrangements, or fund technology and provider supports that address

specific local gaps. The priority should be to identify the unmet need the funding is intended to address and select the CAP-tested features best suited to that goal.

5. Use Partnerships and Continuous Feedback to Improve Implementation

The CAP case study highlights the value of involving families, providers, and program staff in the design and continuous improvement of child care assistance programs. Participants identified practical issues involving scheduling, attendance reporting, training, technology, and the challenges navigating relationships between families and their FFN providers that may not have been apparent from administrative data alone. Engaging these stakeholders on an ongoing basis can help programs identify difficulties early, adapt processes to local needs, and assess whether efforts to simplify and reduce the burdens of a program are actually doing so or are inadvertently creating new challenges.

The partnerships needed to implement innovations like CAP will depend on the specific population and program feature being addressed. State agencies and policymakers would need to account for policy, regulatory, funding, and technology requirements and determine which changes fit within existing public systems. Community-based organizations or other trusted local organizations may be useful for outreach and engagement when programs are intended to reach families or providers with limited experience with formal child care systems, although which partners are appropriate will differ by community and population. Organizations with technical expertise could also help communities address gaps in product management, software development, administration, and system maintenance.

6. Philanthropy Should Continue to Play a Role in Testing Child Care Innovations

Lastly, CAP illustrates a potential role for philanthropy as a testing ground for public-system innovation. Philanthropic funding can provide flexibility to test approaches that may be difficult to pilot in existing public programs, allowing partners to learn from implementation, identify unanticipated challenges, and assess costs before considering changes for adaptation or broader adoption. However, this does not mean philanthropic approaches can simply be transferred to public systems; rather, the value of pilots like CAP may be in identifying promising features, implementation requirements, and unresolved questions before decisions are made about whether or how to incorporate the promising features into public programs. Those designing future efforts should therefore consider from the outset how the approach being tested could complement existing public

systems, including the policies, funding streams, administrative processes, and provider infrastructure it would ultimately need to operate within.

Conclusion

The Colorado Childcare Affordability Pilot was designed to test whether child care assistance could be flexible, family-directed, and responsive to how families actually arrange care. The findings from Urban's case study of CAP suggest these design features addressed needs identified by families, providers, and systems leaders. Parents valued the ability to use assistance for FFN providers and described reduced financial and logistical stress and greater ability to work, attend school, and pursue career goals. Providers generally experienced the program as manageable and valued the predictability and transparency of payments, while some also reported gains in financial stability and professional development.

At the same time, the implementation of CAP highlighted important considerations for a model that seeks to provide flexibility at scale in child care assistance programs. Families with changing or nontraditional schedules encountered limits to how care could be scheduled and reported, and FFN providers faced challenges related to training, technology, and the unique financial and interpersonal dynamics of informal care arrangements. More broadly, the findings suggest that the feasibility and value of CAP's features for jurisdictions depend on how they interact with existing program requirements, funding structures, technology systems, and families' and providers' needs. Integrating a family-directed funding model into existing public programs would therefore require substantial coordination across policy, funding, technology, and administrative structures.

Taken together, the findings indicate that CAP is best understood not as a model to replicate wholesale, but as a test of specific approaches that could address gaps in existing child care assistance. In particular, CAP offers insights into how child care assistance could better support families who rely on FFN providers, who may be difficult to serve through traditional subsidy structures. Features such as family-directed or flexible payment approaches, support for FFN participation, and streamlined administrative processes warrant further exploration, particularly for families whose care arrangements do not fit easily within traditional subsidy structures. Further testing, informed by families and providers and conducted across different communities, provider types, and funding environments, can help determine which elements of the CAP model are most feasible, effective, and sustainable in the child care assistance systems in Colorado and counties across the US, and where they may add value alongside existing programs.

Appendix. Sample Characteristics

Case Study Interview Sample Characteristics

TABLE A.1

Overview of Stakeholder Interview Sample in Urban's Case Study of the Colorado Childcare Affordability Pilot

Stakeholder group	Number of participants	Description of group	Topics covered
Gary Community Ventures staff	7	Staff involved in designing and implementing CAP, including the vice president of builds, director of school readiness, director of operations for builds, a Ventures associate, a software engineer, and a contractor supporting the CAP help desk.	Goals and theory of change; program design; implementation; scalability; and questions to explore with systems leaders, parents, and providers.
Systems leaders	4	Representatives from two Colorado Department of Early Childhood offices, Northern Colorado Kids Thrive, and Home Grown.	Familiarity with CAP; gaps in Colorado's current child care system; CAP's design and potential to address those gaps; system integration and scalability; policy and sustainability; and recommendations.
Parents	10	Parents who participated in the CAP program; most spoke English (80 percent), had two children (50 percent), and used FFN care (90 percent).	Experiences applying to and participating in CAP; perceived impacts of CAP on families and their relationships with providers; perceived strengths and challenges of CAP; and recommendations.
Providers	8	Providers who participated in the CAP program; most spoke English (75 percent), cared for one child approved for CAP (88 percent), and were FFN providers (75 percent).	Experiences applying to and participating in CAP; perceived impacts of CAP on providers and their relationships with families; perceived strengths and challenges of CAP; and recommendations.

Source: Data from 2026 Urban Institute case study of the Colorado Childcare Affordability Pilot.
Notes: CAP = Colorado Childcare Affordability Pilot. FFN = family, friend, and neighbor.

TABLE A.2

Demographics of Family Interview Participants (*N* = 10)

	N (%)
Number of adults in household	
1	3 (30%)
2	6 (60%)
3	1 (10%)
Total number of children (any age)[a]	
1	3 (30%)
2	5 (50%)
3	1 (10%)
4 +	1 (10%)
Preferred language	
English	8 (80%)
Spanish	2 (20%)
Ages of children while participating in CAP (*n* = 11)	
< 1 year	3 (27%)
1 year old	3 (27%)
2 years old	5 (46%)
Type of care used with CAP	
FFN	9
Relative	6 (67%)
Non-relative	3 (33%)
Center-based care[b]	2

Source: Data from 2026 Urban Institute case study of the Colorado Childcare Affordability Pilot.

Notes: [a] Range of number of children was 1 to 6. [b] One family used funds for both center-based care and FFN provider.

TABLE A.3

Demographics of Provider Interview Participants (*N* = 8)

	N(%)
Preferred language	
English	6 (75%)
Spanish	2 (25%)
Provider type	
FFN (relative)	6 (75%)
FFN (non-relative)	0
Licensed Family Child Care Provider	1 (12.5%)
Center Director	1 (12.5%)
Number of children cared for under CAP	
1	7 (87.5%)
2	1 (12.5%)
Age of children cared for under CAP (*n* = 9)	
< 1 year	2 (22%)
1 year old	1 (11%)
2 years old	6 (67%)

Source: Data from 2026 Urban Institute case study of Colorado Childcare Affordability Pilot.

CAP Sample Characteristics

TABLE A.4

Demographics of Children Who Participated in the Colorado Childcare Affordability Pilot (*N* = 57)

	%
Race	
Hispanic	52
White	22
Black	14
Asian	3
Other or Unknown	8
Age	
Under age 1	2
1-year-old	36
2-year-olds	34
3-year-olds	28

Source: Authors' tabulation of Colorado Childcare Affordability Pilot administrative data provided by Gary Community Ventures.

TABLE A.5

Demographics of Families Approved for the Colorado Childcare Affordability Pilot (*N* = 58)

	%
Preferred language	
English	71
Spanish	29
Income	
At or below 100 percent FPL	41
Between 101 and 200 percent FPL	31
Between 201 and 350 percent FPL	28
Using FFN at time of application*	55
Need child care because	
Looking for work	33
Working	29
In school	14
Missing	24

Source: Authors' tabulation of Colorado Childcare Affordability Pilot administrative data provided by Gary Community Ventures.

Note: *Does not include families who began using FFN as part of the Colorado Childcare Affordability Pilot.

TABLE A.6

Demographics of Providers Who Participated in the Colorado Childcare Affordability Pilot (*N* = 62)

	%
Preferred language	
English	68
Spanish	31
Other	1
Provider type	
FFN	82
Licensed home-based	5
Center-based	13
Relationship to child (FFN)	
Relative	69
Non-relative	31
Currently paid for care provided (FFN)	
Yes	52
No	31
Missing	17
Satisfied with current pay for care provided (FFN)	
Satisfied	38
Dissatisfied	23
Neutral	21
Missing	17

Source: Authors' tabulation of Colorado Childcare Affordability Pilot administrative data provided by Gary Community Ventures.

Notes

[1] "Learnings," Childcare Affordability Pilot, accessed October 21, 2020, https://www.capcolorado.org/en/learnings.

[2] Otiwaa Ampofo, "Building Colorado's Early Child Care System: A Decade of Progress and The Challenges Ahead," The Bell Policy Center, August 26, 2026, https://bellpolicy.org/colorado-early-child-care-timeline/.

[3] Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 67438 (Sept. 30, 2016).

[4] At the time of this case study, CCCAP was constrained in some counties by enrollment freezes and waiting lists. A freeze prevents counties from enrolling new families, while a waiting list allows counties to enroll families as funding becomes available within their allocations. As of September 1, 2026, 13 counties had CCCAP enrollment freezes, and 15 had waiting lists, affecting 28 of Colorado's 64 counties. "Colorado Child Care Assistance Program (CCCAP) for Families," Colorado Department of Early Childhood, accessed October 22, 2026, https://cdec.colorado.gov/for-families/colorado-child-care-assistance-program-cccap-for-families.

[5] Child Care and Development Fund (CCDF) Program, 81 Fed. Reg. 67438 (Sept. 30, 2016).

[6] The CAP model is similar to CCDF's in that parents can use CCDF vouchers at the participating provider of their choice. The state pays providers the rates they charge up to a capped amount. States can pay providers prospectively and based on enrollment rather than attendance.

[7] Colorado Shines Professional Development Information System, https://www.coloradoshinespdis.com/s/pdislogin.

[8] State CCDF agencies also allow parents to choose from a wide range of providers (including FFN providers) and change providers as needed, though payments to providers are made by the state. A child's attendance can also be flexible, and the subsidy amount is based on parents' work and school schedules, though it is not adjusted from week to week. The provider's payment may or may not be adjusted by attendance, depending on the state's payment policies. At the time of this case study, Colorado primarily used attendance-based payment, but it has piloted enrollment-based payment for infants and toddlers using federal grants. "CCCAP: Enrollment-Based Payments," Colorado Department of Early Childhood, accessed October 23, 2026, https://cdec.colorado.gov/cccap-enrollment-based-payments.

[9] The Child Care and Development Fund also allows states to pay providers in advance, though relatively few states use this approach.

[10] Colorado Design Insight Group, https://www.cdig.org/

[11] Children were counted only if they had an "approved" status. Guardians and families were counted when there was at least one approved child record in the system.

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About the Authors

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