

BEST BEGINNINGS CHILD CARE SCHOLARSHIP INCOME ELIGIBILITY



Access to child care is not just a convenience – it is a lifeline for families and a critical foundation for Montana’s future. Increasing the income eligibility for Montana’s Best Beginnings Child Care Scholarship program is a powerful way to ensure more families have access to the affordable, high-quality child care they need.

The Best Beginnings Scholarship provides financial assistance to eligible families to help cover child care costs. The program provides assistance for working parents, teen parents in high school, or parents receiving Temporary Assistance for Needy Families (TANF) participating in family investment agreement activities.

Montana’s Current Program:

Families must meet various requirements to be eligible for the Best Beginnings Scholarship including meeting a gross monthly income requirement. In 2023, the Montana legislature passed [House Bill 648](#) which set a family’s income eligibility for the scholarship at or below 185% of the federal poverty level (FPL).³ This means a single parent with one infant whose gross income is \$37,812 per year (185% FPG) qualifies for the program. Their co-payment for child care is \$252 per month (8% of their income – the current payment cap for subsidized child care).⁴

Many families who struggle to afford child care are just out of reach of scholarship eligibility. For example, a single parent with one infant whose gross income is \$38,832 per year (190% of the FPG) is not eligible for the scholarship program – so, instead of spending 8% of their income on child care (the cap if you qualify) this parent must spend more than 28% of their income on child care, leaving little left to spend on housing, utilities, food, and other essentials.

Cost of Child Care Programs in Montana:

- Programs average around \$11,700 per year.¹
- In 2023, child care expenses accounted for 28% of a family’s household income.²

While the Best Beginnings Scholarship helps many families access child care, a significant number of families in need still do not qualify for the program. The Montana Legislature can take steps to ensure all Montana families in need of the child care subsidy can qualify.

Recommendations to Bolster the Best Beginnings Child Care Scholarship Program:

- **Increase Eligibility:** In order to ensure all families and children thrive in our state, Montana could raise the subsidy income eligibility level. Currently, 16 states have eligibility levels at or above 85% of state median income (SMI) which is roughly 250% FPL. These states include Arkansas, California, Louisiana, Maine, Nevada, New Hampshire, New Mexico, New York, North Dakota, Oklahoma, South Carolina, Tennessee, Texas, Utah, Vermont, and Virginia.⁶
- **Use State Median Income instead of Federal Poverty Level:** Currently, Montana uses the federal poverty level to measure a family's income eligibility. Montana could instead use state median income to measure a family's eligibility because it is more specific to Montana's economic context. FPL is based on national aggregate measurements while SMI is based on an individual state.⁷

By increasing the income eligibility level for the Best Beginnings Child Care Scholarship Program, the Montana Legislature can ensure all Montana families can afford and access high-quality child care. Implementing the policy recommendations outlined in this brief will strengthen the program, support working families, and invest in the state's future workforce, contributing to the overall well-being and economic stability of communities across Montana.



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Citations

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(7) The Assistant Secretary for Planning and Evaluation. (n.d.). Frequently asked questions related to the poverty guidelines and poverty.

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