



# When Child Care Funding Falls Short: How CCPP Revenue Cuts Are Impacting Mississippi Providers and Families



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## Executive Summary

In April 2025, Mississippi's child care system experienced a severe destabilization following the Mississippi Department of Human Services' pause on most new applications to the Child Care Payment Program (CCPP) and an associated reduction in available funding. To assess the real-time impact of these decisions, the Mississippi Low-Income Child Care Initiative (MLICCI) conducted a statewide survey of licensed, center-based child care providers participating in CCPP. The findings reveal a system in crisis—one with immediate consequences for working families, early childhood educators, and the state's workforce.

The overwhelming majority of providers reported significant negative impacts as a direct result of the CCPP funding reduction and application pause. Nearly nine in ten providers indicated they were harmed by the policy change, and 94-percent reported serving families who lost access to CCPP during the pause. As a result, providers experienced an aggregate enrollment decline of 17.5-percent, with 75 percent of children who lost CCPP fully exiting care due to parents' inability to afford out-of-pocket costs.

Providers reported taking extraordinary measures to support families, often at great financial risk. Forty-four percent of surveyed centers provided free or uncompensated child care to parents who lost subsidies—an unsustainable practice that further strained already fragile operations. Despite these efforts, providers were forced to reduce staffing and services. Fifty-nine percent reported terminating staff or anticipating layoffs, resulting in 315 documented staff terminations and 218 classroom closures statewide. Centers reported an average revenue loss of \$15,600 over a 12-week period.

The survey underscores the demand for affordable child care remains acute. More than half of providers reported maintaining waitlists, and among those, 80-percent indicated that families waiting for care were income- and work-eligible for CCPP but unable to access assistance due to funding constraints.



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At the same time, providers expressed concern that quality system supports—such as Quality Support System (QSS) requirements—are increasingly difficult to meet amid declining enrollment, staffing shortages, and financial instability. Nearly 59-percent of respondents favored pausing QSS activities until CCPP funding is fully restored.

Importantly, providers consistently framed CCPP as an essential workforce and early learning support, not merely a social service. The loss of subsidies triggered a cascading effect: reduced enrollment leads to revenue losses, which lead to staff layoffs and classroom closures, threatening provider participation in other critical programs such as the Child and Adult Care Food Program (CACFP) and increasing the risk of permanent center closures—particularly in low-income and rural communities.

Mississippi's child care providers are a critical component of the state's economic infrastructure. The 2025 CCPP application pause and funding reduction reversed meaningful progress made in recent years to expand access to affordable child care, stabilize providers, and support working parents. Survey respondents made clear that restoring and increasing CCPP funding is essential to protecting children's learning environments, sustaining the child care workforce, and ensuring parents can remain employed or in education and training.

The child care crisis documented in this report is not inevitable. **It is the result of policy choices—and it is solvable through targeted, evidence-based investment.** Restoring CCPP access and prioritizing sustainable funding streams will strengthen Mississippi's workforce, improve child outcomes, and stabilize an industry that underpins the broader economy.

## Policy Pathways Forward

The findings point clearly to the need for increased and stabilized public investment in CCPP. MLICCI identifies two immediately available federal revenue strategies that Mississippi can deploy:

- 1 Expanded use of federal TANF funds through Direct Child Care spending to support working families—an approach successfully implemented by states such as Texas and Ohio.
- 2 Increased participation in the federal Child and Adult Care Food Program (CACFP) by reducing administrative barriers and expanding sponsorship models to improve provider access to reimbursement.

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# Summary of Survey Findings

Thousands of working Mississippi parents lost access to child care when the state paused most new applications to the Child Care Payment Program (CCPP) in the spring of 2025. The impact was immediate: parents were forced to leave jobs, child care centers lost revenue, classrooms closed, and children were pushed out of stable early learning environments. We asked providers to describe how the revenue cuts to CCPP impacted them. This is a summary of those survey results.

**Most CCPP Providers responding to our survey were negatively affected by the funding cut and pause in applications in 2025.**

- 89% report they were negatively affected by the funding cut and pause in applications.
- 94% serve parents and children who lost access to CCPP during the pause.
- Aggregate enrollment reduction of 17.5% due to parents' loss of CCPP.

**When working parents participating in CCPP lost access to the program, most of their children exited child care.**

- 75% of children who lost CCPP exited care and dis-enrolled from the child care center.

**When parents lost CCPP, many child care providers provided free services or entered into other arrangements to help parents and children.**

- 44% of CCPP providers reported providing free child care for parents who lost CCPP, imposing more financial strain on their center and staff.

**Most CCPP providers responding to our survey serve parents who are income- and work-eligible for CCPP.**

- 86% report serving parents who are eligible for CCPP, but cannot get approved.

**When parents lost access to CCPP and children dis-enroll because parents can't afford costs, providers were forced to terminate staff, close classrooms and in some cases, close centers altogether.**

- 59% reported having to terminate staff due to the CCPP pause or expected to have to terminate staff in the future.
- Survey respondents reported 315 staff terminations & 218 closed classrooms.

**Centers are terminating staff and experiencing a substantial loss in revenue.**

- Centers experienced an average 12-week revenue loss of \$15,600.

**Demand for child care remains high, but many parents cannot afford care due to the loss of CCPP. As a result, child care centers have reduced services and now report waitlists largely made up of CCPP-eligible families waiting for approval before they can enroll their children.**

- 52% had a waitlist of parents and children, with 80% of those providers saying waitlisted parents are income- and work-eligible for CCPP.

**CCPP providers responding to our survey support quality improvement, but most want QSS activities to be paused until CCPP funding is restored.**

- 58.5% wanted current QSS activities paused until the 2025 application pause was lifted.
- Many providers believe QSS implementation and participation is being made more difficult by the loss of enrollment, staff reductions and center financial instability.
- System priorities should include increasing CCPP revenue and restoring child care for those children who had to exit a learning environment.

**When parents lose access to CCPP, they experience negative work outcomes including the loss of employment and disruptions in their education and training participation.**

- 41% reported serving parents who quit employment due to the CCPP pause.
- 30% reported serving parents who quit education and training participation.
- Survey respondents reported an aggregate of 455 parents having to quit employment and 271 having to stop participating in education/training due to losing CCPP.

### Recommendations Based on Survey Findings

**Federal revenue strategies for child care are available and should be prioritized by Mississippi leaders.**

- *Federal Temporary Assistance for Needy Families (TANF)* – Mississippi can commit a larger portion of its federal TANF funds to CCPP child care through Direct Child Care Non-Assistance for working parents.
- *Federal Child and Adult Care Food Program (CACFP)* – Mississippi can prioritize increasing participation rates in CACFP among CCPP child care providers, who can receive federal reimbursements for qualifying food costs.

## Introduction

### **“I don’t know how long we can carry on.”**

This is a statement shared by a child care provider responding to our 2025 survey. It is a common refrain MLICCI observed in findings from child care providers across Mississippi. They are in crisis. The parents they serve are in crisis. The number of children they nurture each day are fewer. The loss of CCPP has left hundreds of parents unemployed and thousands of children without child care.

This statewide shift occurs at a time when the demand for affordable child care is as immediate and urgent as ever. Child care center owners and staff help parents who are working, but they know parents they serve do not earn enough to afford care.

Forty-four percent of providers we surveyed are providing free child care to parents who lost access to child care assistance in 2025. Providers can’t afford to do this, but as one told us, child care is “an expenditure they [parents] can’t afford”.

The crisis in Mississippi’s child care system is a result of child care being an expense that even full-time working parents struggle to afford and a result of inadequate public investment in the program designed to make child care more affordable for working parents – the Child Care Payment Program (CCPP). Child care business owners and staff know and live this reality every day, as do other employers who rely on child care centers being open and stable so their employees can work uninterrupted.

Child care centers are required by law to maintain specific requirements for staff and daily operations, which are costly. Providers lower child care fees to an amount that parents in their communities can afford, even though the amount is almost never what the true cost of care demands.

Wages among child care staff are consequently low and turnover is high. Yet, the demand for safe, affordable and quality child care continues to grow.

**“Due to the pause I’ve had numerous parents crying to me about having to choose to work or stay home because they can’t afford childcare.”**

DECEMBER 2025

**19,390**

**FAMILIES WAITLISTED FOR CCPP**

## Why We Work on Affordable Child Care

The Mississippi Low-Income Child Care Initiative (MLICCI) works closely with child care providers and parents to support policies and practices that increase parental access to affordable child care. We work with, organize, and engage a group of providers called the Child Care Leadership Team (CCLT), comprised of more than 200 child care providers operating centers across the state. They provide insight and experiential data that we use to shape policy recommendations for improving the federally funded CCPP. We also work directly with single moms through our Employment Equity for Single Moms (EESM) program, providing case management with services including applying for CCPP assistance, providing direct child care assistance, and career coaching to help moms connect to career pathways that lead to higher wages.



Parents need help affording child care so they can participate in the labor market and young children benefit immeasurably from early education settings that nurture cognitive and emotional development starting in the earliest years of life. These realities are widely acknowledged among economists and early childhood development experts.

The relationship between access to affordable child care via subsidies and a parents' employment status is evidence-based. According to Burgess, et al., evidence shows a positive causal relationship between increased expenditure on child care subsidies and increased labor force participation and employment among mothers<sup>1</sup>. When child care subsidy funding is inadequate and the result is reduced access to affordable child care abruptly and systemwide, the consequential effect is fewer mothers able to participate in the labor force.

Reliable and stable child care helps Mississippi parents earn while their children learn. The child care industry enables the rest of the state's workforce to show up every day while their young children are cared for and nurtured.

Mississippians cannot work, stay in job training, or finish a degree without child care. But the reality is, most parents—even parents working full-time—cannot afford child care costs. The child care industry needs adequate revenue. **The solution requires public investment.**

### About the CCPP

Mississippi's Child Care Payment Program (CCPP) helps working parents afford child care so they can stay employed or in school. Funded through a federal block grant, CCPP is a critical support for the state's workforce and the only child care program in Mississippi that both supports early childhood development and enables parents to work.

Unlike other public early childhood programs that offer only part-time services, CCPP provides full-day, full-year child care. Families pay an affordable co-pay based on income and family size, with the remaining cost covered by a subsidy (also referred to as a voucher or certificate). To qualify, parents must work 25 or more hours per week, be enrolled full-time in accredited education or training, or combine work and school hours.

CCPP serves families with incomes up to 85 percent of the state median income (about 175–200 percent of the federal poverty level), which is higher than many other public assistance programs. Licensed child care centers—most of which are privately owned small businesses—can participate and receive payments, as long as they meet program requirements.

**“I would hate to lose another child because someone who’s never been poor made a decision to cut funding for a lot of these underserved and underprivileged single parents. It’s heartbreaking.”**

On April 1, 2025, the Mississippi Department of Human Services (MDHS) paused most new CCPP applications. In November 2024, MDHS officials testified in a joint hearing of the Mississippi Senate Labor Force Participation Task Force and the Study Committee on Women, Children and Families that at least 9,000 children would lose access to CCPP subsidies in 2025. The department announced a revenue shortfall of \$47.9 million following the expenditure of supplemental ARPA child care funds that had been invested in direct services in addition to the state’s regular federal child care block grant funds<sup>2</sup>.

The MDHS was able to meet critical needs across Mississippi and help thousands of Mississippians remain employed during and in the years following the Covid-19 Pandemic. MDHS made significant improvements to the state’s CCPP. The improvements were followed by increased participation in CCPP. Prior to the pause in CCPP applications, the state publicly reported it was serving more children through CCPP than it ever had. This meant more children accessing quality child care, more qualified staff in centers, and more parents working.

Initially, six categories of recipients remained eligible during the CCPP pause:

- Families experiencing homelessness
- Children in foster care
- Deployed military families

- Parents receiving Temporary Assistance for Needy Families (TANF) cash assistance or transitioning off of TANF assistance
- Teen parents and children with special needs.

The state began a CCPP waiting list for parents who were ineligible to apply. Parents receive an email notification from MDHS alerting them when they are eligible to apply due to available funds and a specified timeline to apply. On August 1, 2025, MDHS announced applications were open to categories beyond the six priority service categories that remain eligible. The opening of applications was due to an appropriation of state funds in 2025 adequate to serve approximately 2,100 children on the CCPP waiting list, as reported by the agency in December 2025. The agency is currently maintaining a growing waiting list of children publicly reported to total 19,390 families as of December 2025. MDHS had been approving CCPP for parents based on the order of their entry onto a CCPP waiting list, however, in December 2025 MDHS officials testified they are now redetermining parents receiving CCPP at existing child care centers to better support child care business stabilization<sup>3</sup>.

### Methodology: Surveying Providers

Following the pause in CCPP applications and the estimated reduction in the number of children served, MLICCI began hearing from CCPP providers and CCLT members about various experienced and observed effects:

- the loss of children from their center;
- creating payment arrangements or providing uncompensated care to parents who could no longer afford to pay costs;
- reports from parents that children are experiencing negative social-emotional effects of the abrupt changes;
- parents who had to quit education participation;
- parents who had to quit work or alter hours;
- an increase in the frequency of siblings having to provide care for young children;
- staff layoffs, reduced staff hours, classroom closures;

- genuine safety concerns for children and a range of other impacts.
- MLICCI also began to hear from single mothers it serves through its EESM program that their CCPP subsidies were expiring, and they were being instructed to submit their names to a waiting list.

In the late summer of 2025, MLICCI mailed a paper survey to licensed center-based child care providers eligible to serve parents receiving CCPP child care subsidies. We asked providers to respond to a range of questions and invited their direct input about the most pressing issues they are facing as they continue to care for young children and support working parents. MLICCI's 2025 survey sample reflects data from 229 privately-owned child care businesses providing child care services to nearly 11,000 children across the state and licensed to serve more than 19,000 children.

The experiences we document cover a period of approximately 3-5 months, and paint a picture of an industry in deep crisis. A majority of child care providers express serious concerns about a system they saw improving that is now facing the instability of abrupt shifts in funding, the loss of enrollment and the loss of staff. While providers across the state recognize improvements made and the tremendous benefit to children and parents when more are receiving CCPP, providers worry about the negative effect the funding decline will have on the state's child care industry. The revenue crisis is seen by many providers as putting the progress the system has gained in recent years at risk of regressing.

The following report offers MLICCI's analysis of survey results and a brief discussion of revenue options that could increase statewide funding for affordable child care that supports working parents.

## Primary Themes Emerging from Survey Responses

MLICCI asked child care providers to share any experiences or observations related to the CCPP pause or child care issues in an open-ended question. Forty percent of providers responding to the survey also provided written input in response to this question. These comments serve as qualitative data, representing a mix of detailed information about how the CCPP funding reduction affected their business, how children and parents they serve have been impacted, their observations about how the decision to cut funding in CCPP has serious implications for the state's child care industry and how the loss of services for children and families works to undermine quality support system efforts and investments. Each written comment included at least one of the primary themes we identify and use throughout this report. The themes presented in this report are all interrelated. Supportive direct quotes from providers are used throughout this report in bold. We removed any identifying information from quotes. We left quotes unedited to the extent possible, but in very few instances, portions of quotes were removed for brevity without changing the meaning or context of the input provided by respondents.

### Primary Themes Identified in Child Care Provider Input

For purposes of synthesizing the most common themes, we grouped respondent's written open-ended comments into one or more categories. One individual's comment may be counted in each of these categories. For example, the loss of children in a center is closely linked to the financial impact on a center, which is closely linked to classroom or center closure. Therefore, in some cases, all these themes appeared in one comment. Similarly, a provider may have written a comment about the financial impact on their center, but no comment about center closure.

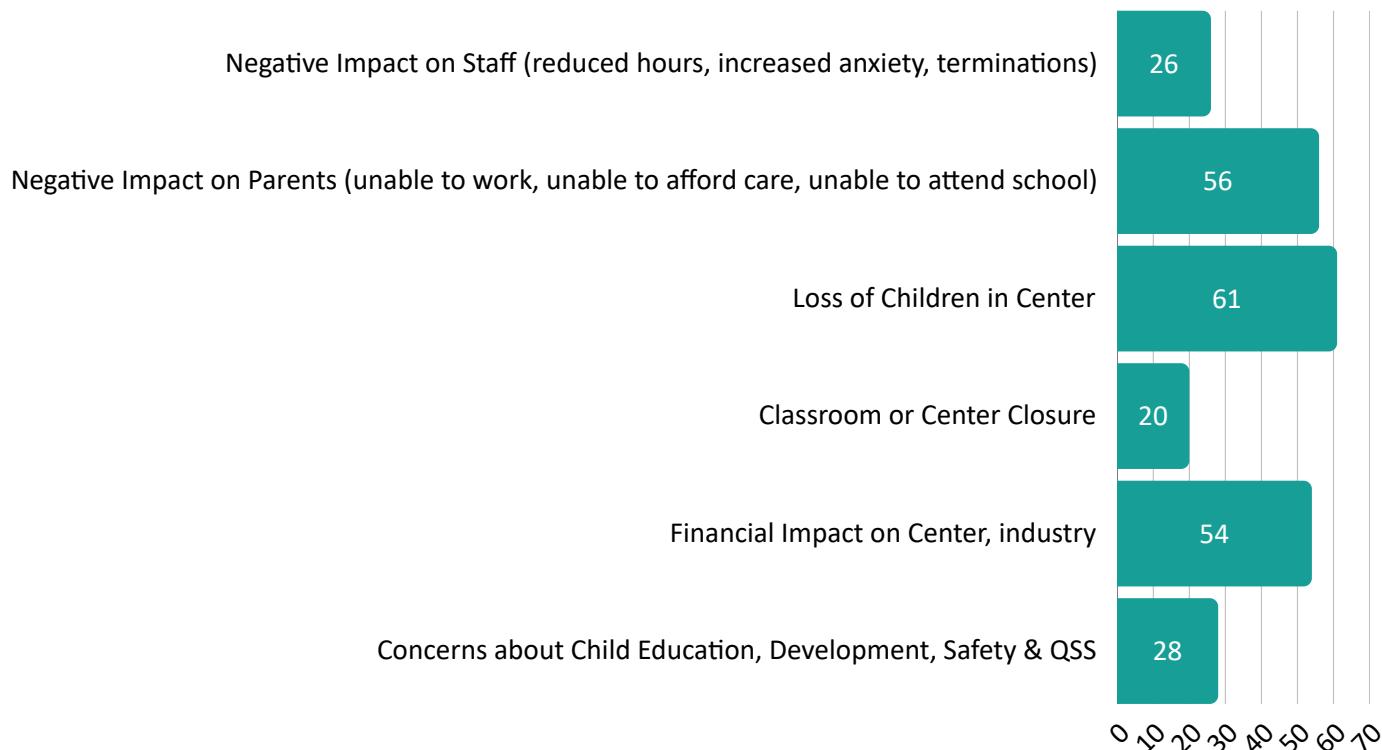


**MLICCI has a 27-year history of surveying child care center owners and directors across the state to collect meaningful qualitative and quantitative data about the effect of policies on the centers they operate and on the families they serve.**

Primary Themes from CCPP Provider Comments
Impact on Child Care Staff (reduced hours, terminations, increased anxiety)
Impact on Parents (Unable to work, unable to afford care, unable to attend school, spillover effects from lack of child care or increased costs of care)
Loss of Children in Center (quantifying the number of children exiting center)
Financial Impact on Center, Child Care Industry and Classroom/Center Closures (how the loss of children & parents' reliance on CCPP to afford care results in deep financial impacts and revenue shortages)
Concerns about participation in the Quality Support System and the negative effect parental loss of CCPP has on child education and school readiness, social-emotional development & child safety

#### *Frequency of Themes in Written Input*

We quantified the frequency of these themes emerging in comments. We synthesized the comments into five separate, yet interrelated categories. In the below graph, however, we depicted Center & Classroom Closure as a separate category. While input on center closures is an aspect of financial impacts on a center, it functions as a commonly expressed sub-theme within the broad context of reported financial impacts on centers and on the child care industry.



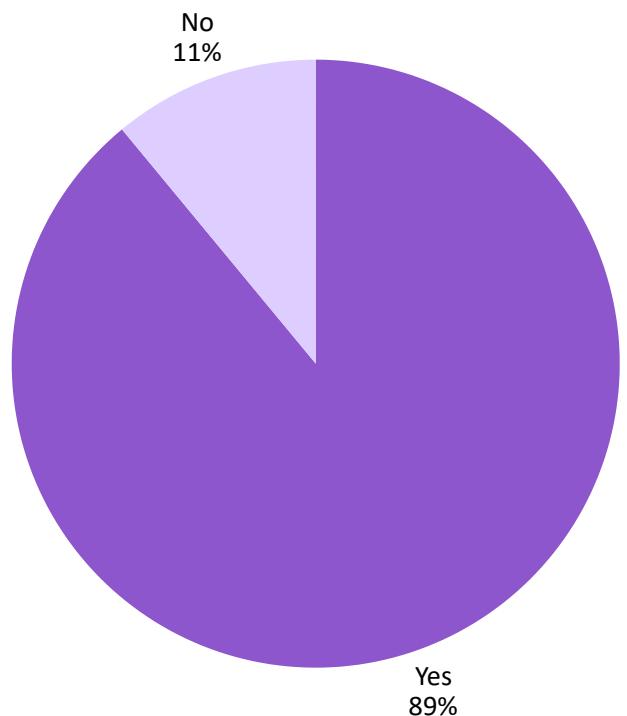
### *Analysis of Provider Written Comments*

Child care centers describe experiencing financial instability directly linked to the pause in CCPP applications and the reduction in spending on child care subsidies. Many providers report **sharp declines in revenue** due to losing children whose families can no longer pay. This outcome is **forcing centers to operate below sustainable enrollment levels**. Many centers reported having to **cut staff hours, reduce pay, or lay off teachers**. Providers report being at risk of **closing classrooms or entire facilities**, projecting future loss of parents receiving CCPP and uncertainty, with some having already closed buildings or actively preparing to shut down.

These financial pressures are leaving some centers struggling to pay bills, falling behind on payroll, and reducing programming and activities. Many providers see the 2025 application pause and funding reduction as exacerbating long-standing structural vulnerabilities in the private child care market. These commonly expressed themes demonstrate how dependent parents and child care centers are on CCPP stability and how quickly operations become unsustainable when funding is disrupted and inadequate. Many providers express deep concern that without restoration of funds in the near-term, more center closures will occur, further destabilizing communities and limiting families' access to child care options that support work and early education.

In the following sections, we interweave the quantitative data we obtained from providers to derive aggregate statistics with experiential data we analyzed for common themes and important contextual factors.

### Is Your Center Negatively Affected by the CCPP Pause?



About 89% of survey respondents reported the CCPP pause negatively affected their child care center and 94% of CCPP providers reported parents and children they serve lost CCPP assistance. This indicates that our survey sample was significantly impacted by the 2025 CCPP application pause and reduction in funding.

**“[center name] is hanging on by a thread. We have been in business for over 30 years. We have 27 families and our parents are so upset. About 90% of them will have to quit their jobs. I feel so sorry for them but there is only so much I can do. Please, we need help, our children in Mississippi need help.”**

Providers commonly expressed observations and experiences of parents they serve losing CCPP. Providers describe the loss of CCPP as leading to parental job loss, reduced work hours, withdrawal from education and training, and severe household instability.

Emotional distress is a common theme providers associate with the loss of CCPP. They describe parents and children crying, enduring the fear, stress and overwhelming emotional burden of abruptly losing access to their child care arrangements. Providers also report experiencing emotional distress during these interactions with parents losing CCPP.

Providers often identify single mothers as being particularly negatively affected. A common theme is that the CCPP pause and funding reduction had a greater impact on who providers view as the most vulnerable families. Providers associate low-income socioeconomic status, single-mother-headed family status and parents living in rural areas as enduring more hardship with the loss of CCPP with limited options for care and a high concentration of low-wage jobs.

**“In the area where my center is located, there are a lot of low income parents that can not afford childcare even with them working full-time jobs due to low wages. They rely on the CCPP voucher to help them make ends meet trying to provide a stable environment for their households.”**

Providers describe difficult choices parents they serve have had to make when their CCPP was lost. Some parents are having to decide which children should remain in care and which children they will have to dis-enroll. Parents may see one of their children be approved due to a priority service status, such as having a special need, but many providers observe that CCPP only available for one child is not a solution for parents they serve:

**“Two of the three [children] will lose their CCPP, even though one of the two is in special education. Her middle child will still receive CCPP due to her disability. However, they may all have to leave childcare because she can’t afford to pay the tuition.”**

**“I have had parents who had to choose which child keeps coming because they couldn’t keep all the children in childcare without the assistance.”**

Many providers point to the reality that working parents they serve simply cannot afford child care without assistance paying the fees:

**“It is so hard for our parents to be put in a position where they can no longer work because of childcare fees they cannot afford. The community center location where my home base is serves low income parents. Therefore the center, parents, children also staff have been truly hurt by this major impact.”**

**“Many CCPP participants who used our services had to leave, apply for scholarships, or struggle to pay fees because childcare (even though affordable) is an expenditure they cannot afford.”**

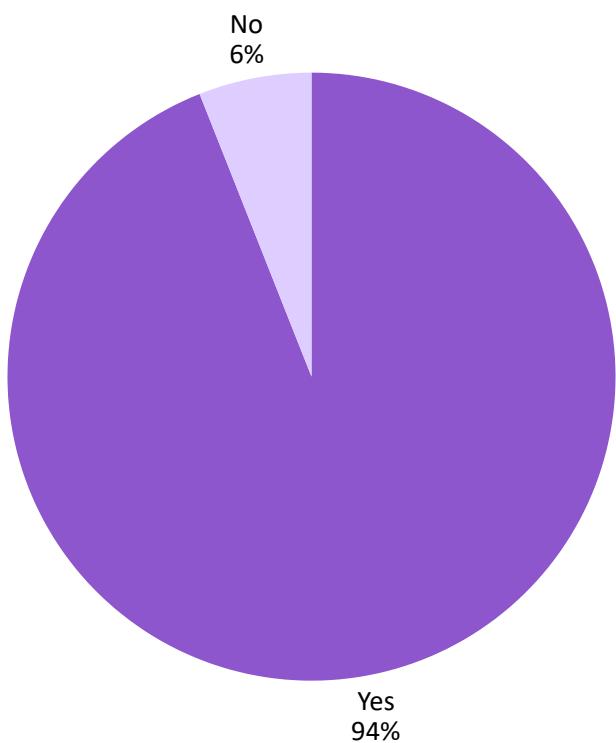
**“Due to the pause, I have had several parents who have had to withdraw their children from my program. They have taken their children out because they cannot afford to pay for daycare without assistance.”**

Providers responding to the survey describe the CCPP pause and funding reduction as causing serious instability for parents. Providers not only cite many examples of parents losing jobs due to losing CCPP, but also the serious interrelated spillover effects from the lack of child care. Providers describe parents experiencing housing instability due to job loss. Providers describe single parents having to take on additional jobs to pay for care. Providers clearly see CCPP as the only way parents can afford care, even for parents who work full-time or two jobs. For most parents they serve, without child care, they cannot work and without access to CCPP, they cannot afford child care.

**“...some of these parents have lost their jobs, lost their homes, and some have had to relocate.”**

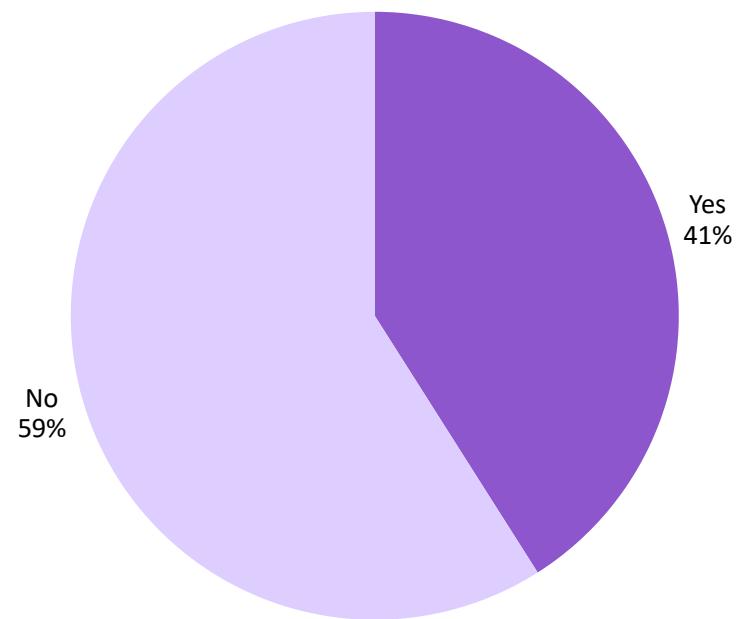
**“I have one parent who had to take a second job to pay childcare because she lost her certificates for three children.”**

## Have Parents and Children You Serve Lost CCPP Assistance?



The vast majority of child care provider survey respondents, or 94%, serve parents and children who lost CCPP assistance.

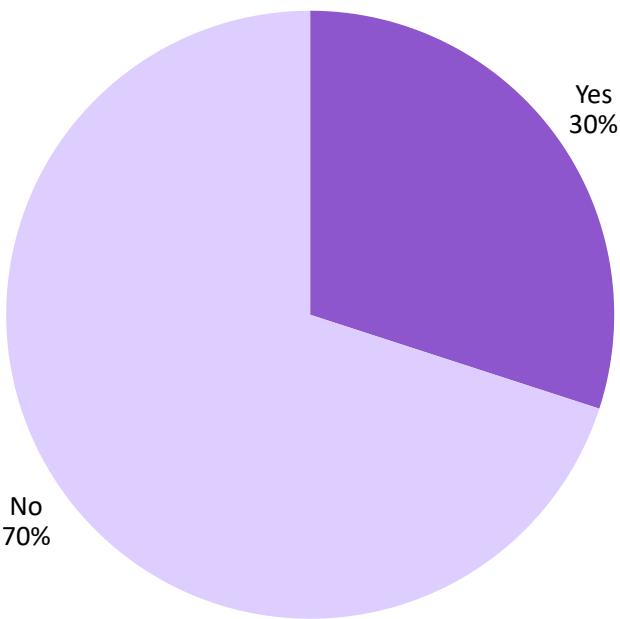
## Did parents you serve have to quit work after losing CCPP?



The survey included questions about some of the effects the CCPP pause and funding reduction has had on parents. More than 40% of survey respondents reported that parents they served were forced to quit or lost employment after losing CCPP subsidies. One of the primary functions of CCPP is to support Mississippi's low-income working parents. As a result of funding reductions, providers reported an aggregate of 455 parents having to quit employment.

**“Many of the families we serve depend on CCPP to afford care. They are now faced w/ difficult choices to cut work hours, seeking alternative care arrangements or struggling to afford basic needs. This creates instability for working families trying to stay employed and provide for their children.”**

## Did parents you serve have to quit education/training programs?



The CCPP is also designed to assist parents enrolled in full- or part-time education and training. Increasing education/training and earning credentials is an essential need among Mississippi parents that helps them retain employment and move into higher-paying employment. When parents lose access to child care subsidies to help afford the cost, arrangements that make education/training attendance possible disappear. This resulted in 30% of child care providers reporting that parents they serve had to withdraw from education/training programs, forcing an aggregate total of 271 parents served by the respondent group to stop participating in education/training programs.

### Financial Impact on CCPP-Participating Child Care Centers and the Child Care Industry

Providers expressed observations and experiences that paint a picture of local economies strained by parents leaving the workforce, child care centers closing or at serious risk of closing in the near-future and diminished services for low-income families. In written input, providers described their experiences as center directors and owners, including:

- data about specific impacts on their centers;
- accounts of interactions with parents; negatively affected by the CCPP pause, and
- observations of how parents and families were being affected and how the broader economy and community in which they live is being affected by reduced access to child care statewide.

Providers most commonly characterize the impact of the CCPP pause as placing an external strain on how they operate day-to-day and on the services they make available. Providers describe new logistical challenges. Financial constraints impact staff, such as reduced staff hours, reorganizing staffing positions and roles, as well as program operations, such as struggling to comply with program requirements in other critical domains, including their ability to retain low-income children to be eligible for federal reimbursements through food programs (CACFP) or exacerbated challenges in complying with state child care licensure laws that require strict ratios of classroom teachers to children and monitoring.

**“I have noticed that there has been a big drop in people calling for childcare. I believe it is because parents can’t apply for this program. I currently have at least three or four families that could benefit from CCPP. This program allows more parents to work and afford childcare services.”**

Providers describe common problems associated with developing workable solutions to absorb costs of the loss of CCPP subsidies and solutions to maintain support for families they serve. In written comments we analyzed, these solutions include lowering child care fees, offering scholarships and other forms of financial assistance, and a common theme of CCPP providers providing child care services for free despite their inability to afford such costs.

Child care providers commonly identified a disconnect between what they see the state government prioritizing versus what they experience as the primary needs of providers and families. These comments are typically linked to a perception of a lack of investment in child care, a focus on oversight and monitoring activities and a prioritization of activities, such as quality support system activities, that are not explicitly designed to increase child and parental participation in CCPP or to stabilize the child care market.

**“Been in business for 24 years and never had this much impact so quickly. We need help and our community needs help. People have had to quit their jobs to stay home and watch their children.”**

**“The funding cuts have placed a financial strain on our operations, limiting our ability to deliver the high quality care and early education our families rely on.”**

While most providers reported having waiting lists, numerous child care businesses report that the CCPP pause and funding reduction has resulted in increased open slots in their center and decreased enrollment growth.

**“This pause has NOT been good for enrollment or retention. We usually have a waitlist and do not. We almost never have open spots and have at least 30.”**

**“Our total enrollment is down by 20 children. I believe the decrease in funding has kept parents who would enroll from enrolling. Usually this is our growth period, and it is slowed down from other years.”**

**“The CCPP pause has impacted my center in enrollment, financially, and with employees. My enrollment has gone from having around 90 to 69 students.”**

A common theme expressed among providers is that smaller, independently owned and operated centers faced harsher consequences from the loss of children receiving CCPP in their center. Centers that serve fewer children and a higher proportion of children receiving CCPP will be severely affected by the loss of children they endured in 2025.

**“While our center has been able to stay afloat and help support families that have lost vouchers, many smaller daycares are unable.”**

**“Ten out of 30 children is a lot for a small center. After COVID and losing students is a big deal. At this point I will have layoffs. The parents who received the certificate and lost it cannot pay”.**

While some providers reported having open slots and declining enrollment, some describe their current experience as being one of few options in their areas. Several providers identify communities in which they operate as “rural” and “high-poverty” in written input.

**Does your center have a waitlist?**

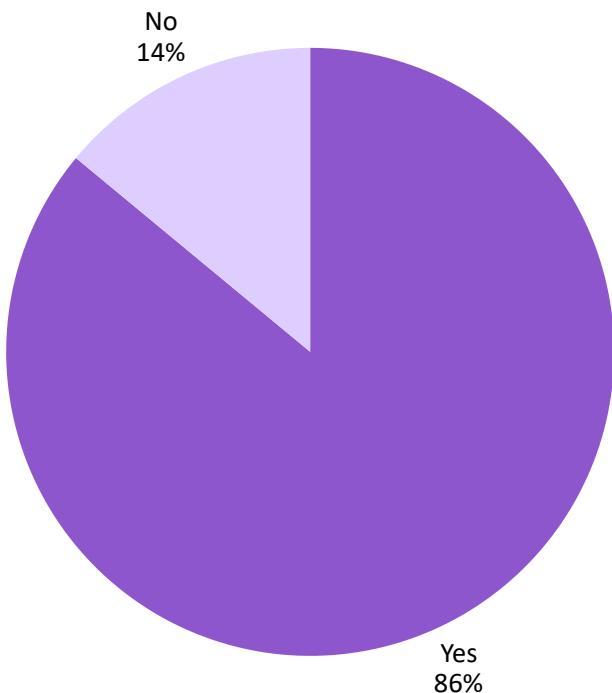


A little more than half (52%) of CCPP providers reported having a current waiting list of children. About 8 in 10 providers with a current waiting list said that parents on the waiting list are likely eligible for CCPP.

**“I am the only daycare in [area redacted]. I have a waiting list. People call everyday. I have a lot of single moms trying to work and pay childcare. They need the assistance with CCPP.”**

## **“I’m trying to help as best I can.”**

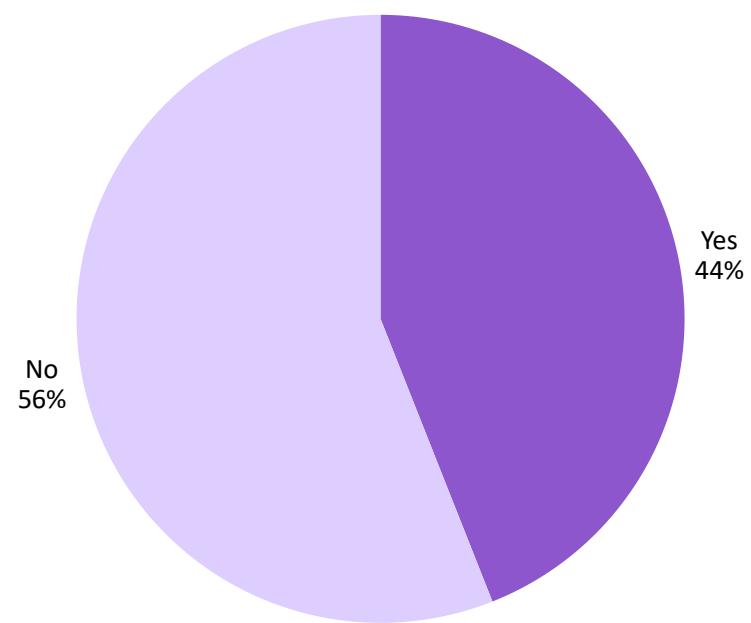
Are you currently serving parents now who are eligible for CCPP, but cannot get approved?



An overwhelming majority of providers responding to our survey (86%) say they are still serving parents who are eligible for CCPP but cannot get approved. The reason for the lack of approval is that most eligible families are income- and work-eligible, but not eligible under the 6 designated priority populations and funding is inadequate to serve more than limited portions of the state MDHS CCPP waiting list as funding becomes available.

## **Providing Uncompensated Child Care Services**

Are you or have you provided child care services at no cost due to the CCPP pause?



A common sub-theme we identified in survey responses was that in response to parents losing CCPP, many child care centers provided care they were not being compensated for and some reported entering into payment arrangements with parents who were unable to afford care. A significant concentration of survey respondents, more than 4 in 10 (44%) responding providers, reported they had provided uncompensated care for children.

**“Some of the parents left looking for more affordable childcare. Other parents have been set up on payment plans.”**

While many providers responded to parental needs at a time of abrupt and significant loss of child care services, they report doing so at a significant cost to their business's sustainability.

**“I’ve been put in a position to help parents and short myself to not be able to pay the price for childcare and I lower my weekly payments to help them, or refuse childcare if they can’t pay. It’s a tough situation and I will be glad when things are fixed.”**

**“I see the day-to-day struggle with some of my parents which is one of the reasons why I have some attending for free. However, free won’t last because it won’t cover the business expenses.”**

#### *Classroom and Center Closures*

A common sub-theme expressed by providers in written input is classroom and center closures. Provider comments about closures referred to a mix of scenarios:

- observing other providers in their communities having to close due to the CCPP pause;
- providers who own multiple centers having to close one facility;
- providers who are projecting future closure if revenue losses are not restored; and

- a significant number of comments about closing one or more classrooms within their facility or projecting they will likely be forced to close classrooms due to decreased enrollment and fewer staff after layoffs associated with the CCPP pause.

These comments emerged as an important sub-theme.

**“The pause of CCPP funds have greatly impacted our daycare in a negative way. We had 78 children enrolled in our center that received CCPP funds at the end of April and now we are down to 30 children. We are possibly going to have to cut 4 teachers and close down 2 classrooms due to the number of children we have lost. We had two families that had four children and they had to withdraw due to losing funding. Both parents worked but couldn’t afford \$510 per week for childcare.”**

**“We have lost numerous children due to the CCPP ending funding which in turn I’ve lost employees as well. It is almost to the point that I may have to close 1 of the 2 daycares down to stay afloat.”**

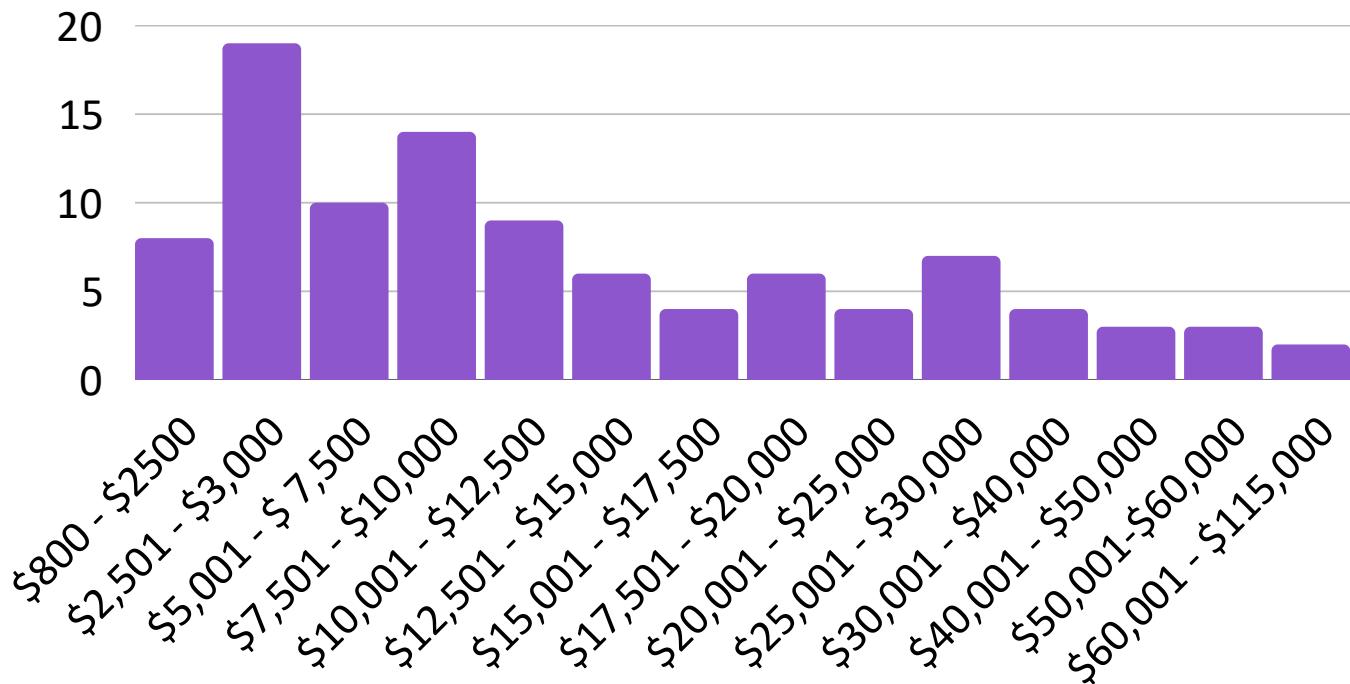
**“If CCPP doesn’t issue funds soon I’m going to have to close.”**

#### *Estimating the Revenue Impact on Centers Due to the CCPP Pause*

MLICCI’s survey asked providers to quantify the amount of revenue they lost due to the CCPP pause and funding reduction. We standardized data submitted by providers into a 3-month, or quarterly, estimate. We calculated the average amount of revenue loss per center. Among the sample group, approximately 78% reported usable financial data totaling an aggregate \$2.8 million revenue loss and an average loss of \$15,600 per center over one quarter. The figures provided by our survey sample are a mix of actual losses and projected losses. The MDHS has announced that approximately \$50 million is required to sustain the CCPP at pre-April 2025 service levels, so the total impact across all CCPP providers is likely much greater.

It is likely the case that many CCPP providers had not yet experienced all effects of the reduction in funding. A significant number of providers describe bracing for future impacts.

### Distribution of Survey Respondents by Child Care Center Quarterly Revenue Loss



*The average center loss is \$15,600. 66% of the sample group reported quarterly revenue losses between \$800-\$15,000.*

Survey respondent input included a significant number of references to the impacts on child care center employees affected by strains on their center's finances. Comments often referenced having to reduce staff hours, having to layoff staff, staff reporting burnout and other negative effects on their business that have downstream effects on employees.

**“...the funding reduction has forced us to re-evaluate staff's needs, which may result in reduced hours or layoffs. Our staff, many of whom have devoted themselves to early childhood education [are] experiencing job insecurity and emotional stress as a result.”**

The perception among survey respondents is that child care staff they employ felt less secure in their jobs due to impacts they experienced from the CCPP funding reduction, including layoffs, reduced hours and other abrupt changes in operations. Providers described the CCPP pause as exacerbating pre-existing issues with frequent employee turnover. Many comments cited issues providers face in retaining qualified staff and investing in training and professional development for teachers who often leave for higher-paying employment when they obtain higher levels of education and experience.

Child care providers often described an inability to retain qualified staff without adequate investment in CCPP to make it possible for parents to afford the cost of care and centers to receive stable revenue. A significant number of providers discussed how retaining qualified staff is challenging, particularly competing with jobs requiring less education & training but offering comparable wages.

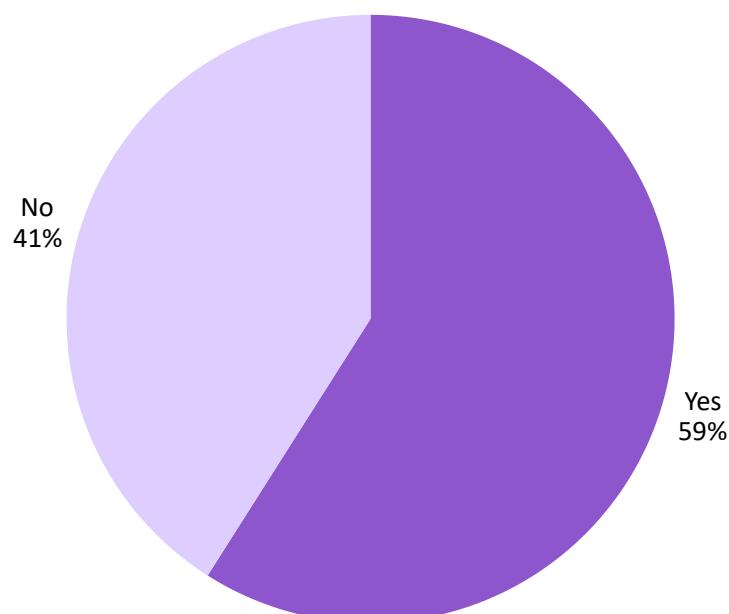
**“...centers need more funding. Private daycare centers can not afford to compete salaries with even Wal Mart. In order to pay staff what they are worth we'd have to charge ourselves out of business. Individual owned daycares are hurting not the ones owned by other facilities like churches and hospitals. They don't have to worry about whether their bills get paid whereas folks like me do and we are struggling to keep staff due to this reason. We probably need more help than the parents do. If we are not here it won't matter.”**

Some providers had not yet experienced staff layoffs when they completed our survey, but they often projected future losses in written comments and the compounding effects of financial impacts like payroll issues that strain child care teachers and staff.

**“The pause is impacting our overall budget. 95% of our funds to run our center comes from the CCPP program. We anticipate losing good staff over the next few months if parents are not reapproved for needed assistance.”**

**“With the need for more staff to accommodate the afterschool students and less money coming in, we have gotten behind on payroll and other bills in the past two months.”**

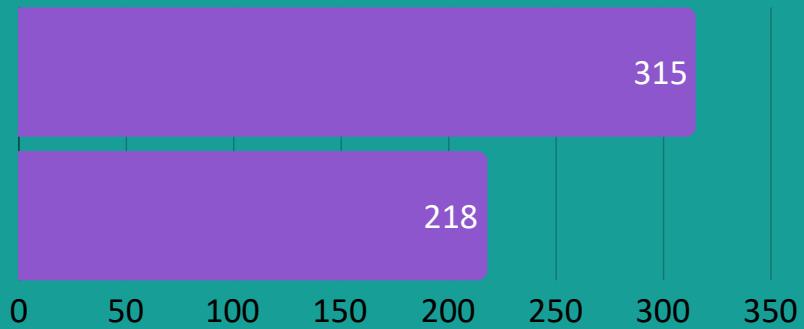
**Did you make staff terminations due to funding costs?**



In response to a survey question about staff terminations due to the CCPP pause and funding reduction, 59% of child care providers reported they had already made staff terminations or they projected needing to make staff terminations in the future.

### Impact of CCPP Revenue Cuts on Child Care Staff and Classrooms

Number of Terminated Staff and Teachers



Number of Closed Classrooms

Providers often described experiencing deep regret having to lose well-trained staff due to the CCPP pause and the consequences staff changes have had on services they offer and the number of children they serve.

## **“We have had to let wonderful employees go.”**

Fewer staff working in centers and fewer open classrooms means fewer children accessing early childhood education and fewer parents able to work in Mississippi, based on data and observations from CCPP providers.

### **The Loss of Children in Child Care Centers Due to the 2025 CCPP Pause**

One of the most common themes providers discussed in written input was the loss of children in their center. This loss of children was typically characterized as having many impacts:

- a direct financial impact on child care center operations affecting staff and teachers;
- social-emotional and other developmental impacts on children;
- a potentially long-term negative educational impact on children;
- safety issues for children exiting care; and
- a direct impact on parents' ability to work and stabilize their home.

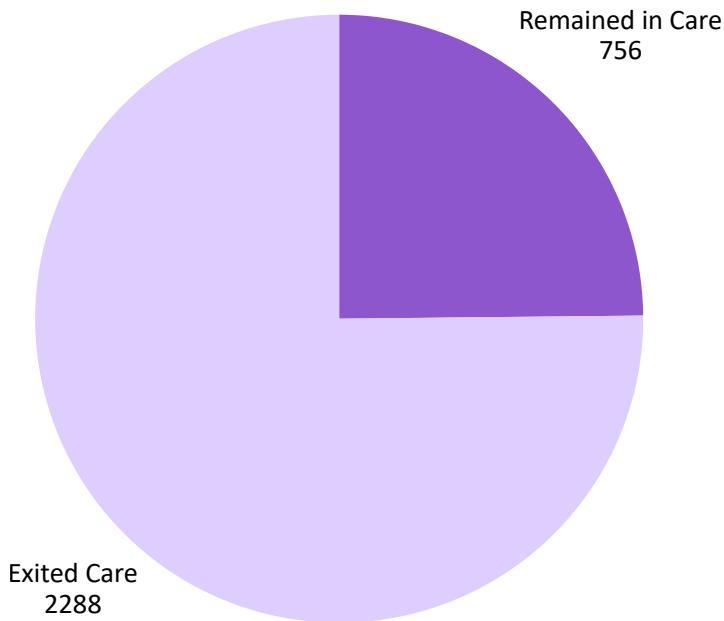
In some cases, providers describe waitlists that are shrinking due to families losing CCPP eligibility who have no ability to pay.

The aggregate quantitative data helps contextualize the widespread concern about the loss of children among providers. Most children who lost access to CCPP also exited care.

**“I have lost children because their mothers can't afford to pay for childcare. [My center's] county is a low-income county. These single mothers need this to be able to work and take care of their children. I love having the children on this program [CCPP] because I know I will get paid.”**

**“I have kids who attend my center who are developmentally delayed. Some don't speak, talk, or comprehend well. But because they're too young for testing or rulings the children don't fall into one of six critical needs areas. Nor are the parents receiving social security. It's heartbreaking when we know the needs of our children and we see the struggle of the parents. I hate that they interrupted this service. We are essential workers during Covid but today we don't matter. What changed?”**

Aggregate Total Number of Children Losing CCPP Remaining in Care vs. Exiting Care  
(Unweighted Respondent Total)



Respondents reported that because of the April 1, 2025, pause in CCPP, an aggregate total of 3,044 children they served lost CCPP and 2,288 of these children (75%) exited care and disenrolled from their center. Based on this finding, prior to the CCPP pause, 68.4% of aggregate licensed capacity was filled and 54.5% of children served received CCPP assistance. Survey findings show a significant reduction in enrollment and CCPP subsidy density, or the ratio of enrolled children receiving CCPP, pre-CCPP pause and post-CCPP pause.

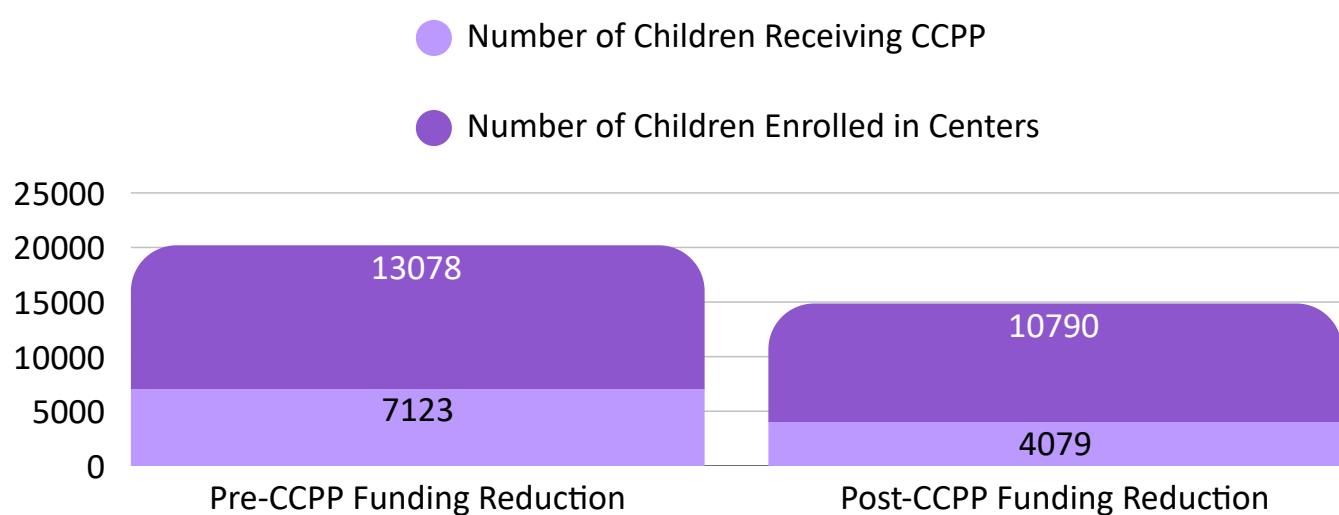
Child care centers responding to MLICCI's survey collectively serve 10,790 children across the state and are licensed to serve 19,116. This data suggests among survey respondents, 56.4% of licensed capacity is currently filled. Respondents reported serving an aggregate total of 4,079 children participating in CCPP, meaning that 37.8% of current children enrolled receive CCPP. These data should be understood in the context of post-CCPP pause reductions in children served. MLICCI's survey included questions about loss of CCPP coverage and disenrollment from care due to the CCPP pause.

**“With the loss of these children from my center, I have had to raise the price of tuition to compensate for the money that I am losing. This is the only way I can keep all of my staff without decreasing their pay.”**

**“...the CCPP pause has impacted my center tremendously with the loss of children/parents who were unable to renew their applications. With graduation and loss of children due to the pause, my center lost 15 children. In addition to the children I already lost I am projected to lose more as certificates expire.”**

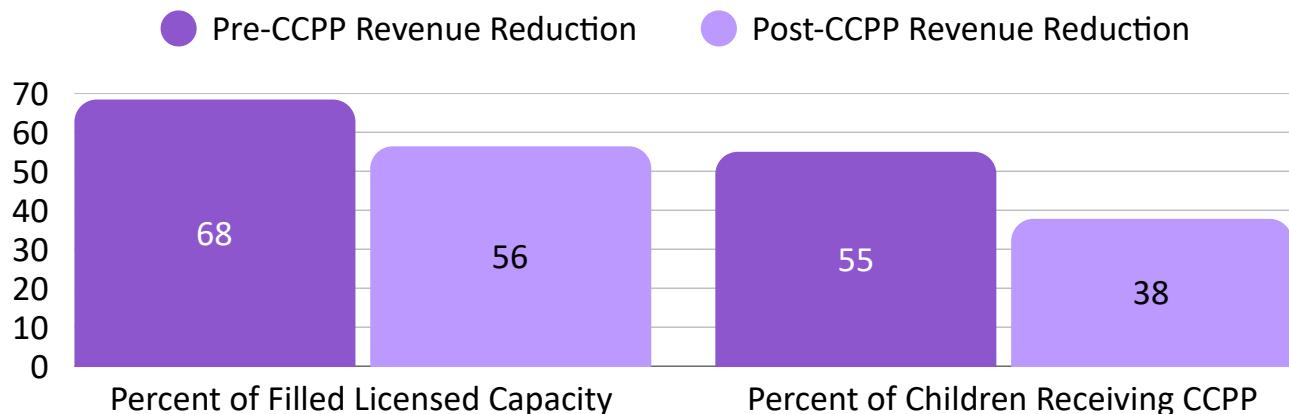
**“Of course we lost a few children because parents couldn’t afford to pay out of pocket. We anticipate that we will lose 10 to 15 more children for this same reason. Our enrollment generally increases a lot for school age kids at the start of school, this year we anticipate a decrease in school age children because certificates are not available for those children.”**

**“The CCPP pause has caused many parents to quit work. Our number of children in our daycare has declined by 25%. Last year we had full classes and now we have many openings. If the CCPP does not give out more certificates we will be closing classrooms.”**



CCPP providers reported a 42.7% overall reduction in the aggregate total number of children they serve who receive CCPP pre- and post-CCPP funding reduction. Some children who lost CCPP remained in care, but data reported by CCPP providers show 75% of children they served who lost CCPP also exited care and dis-enrolled from their center. We use the total number reported as losing CCPP and exiting care to estimate enrollment decline due to the CCPP pause. The number of enrolled children served by the respondent group decreased by 17.5% due to the loss of CCPP assistance.

## Impact of 2025 CCPP Pause on Enrollment and CCPP Participation (Percentages)



On average, post-CCPP pause, individual center capacity among the sample group is 84 children, enrollment is 53 children and the number of children currently enrolled in CCPP is 21. While aggregate statistics from sample group totals are used to show the impact on enrollment and CCPP voucher density, the post-CCPP pause/revenue reduction individual center average of filled capacity is 63% and average CCPP voucher density 39%.

The 2025 CCPP pause resulted in a sharp and immediate decline of enrollment in child care statewide.

**“For the past two months our center has finally been able to see how disastrous the CCPP pause is to the childcare industry. During the summer months, we lost roughly 30 childcare vouchers and we continued to keep most of those students to support our working parents who couldn’t afford childcare.”**

CCPP providers describe the compounding effects of the CCPP pause and funding reduction as diminishing quality of care and child development benchmarks when children exiting centers are experiencing abrupt environmental changes and reduced revenue is resulting in fewer teachers and classrooms. Many providers expressed concerns for child safety and uncertainty about what environments children will transition into following the loss of CCPP. Mississippi has limited public options, particularly for infant and toddler care, and CCPP is the primary source of care access for low- to moderate-income working parents. Providers cited numerous examples in written input of siblings and relatives providing care for children exiting their centers after losing CCPP. This was typically coupled with concerns about child safety and undermining developmental progress.

**“...immediately the ones most affected are the children. Consistency in care access to developmental activities and emotional security are jeopardized by the changes. Fewer resources means fewer opportunities for learning growth and social development in the most critical year of their lives.”**

**“It may get to the point where our babies and toddlers are being left with relatives or friends in unsafe environments... the certificate program enabled parents to place their children in clean, safe, healthy learning environments provided by licensed daycares.”**

Providers describe in significant consensus salient themes about the negative effects of the CCPP pause: the loss of children in their centers and the ripple effects this has on families; parents' lack of child care and its direct effect on their employment and education status; child care staff and teachers facing employment instability, layoffs and reduced hours; and child care centers facing serious financial and operational challenges, especially smaller centers, centers operating in high-poverty areas and low-population areas, and centers with higher CCPP participation.

**“The worst part of the entire situation is that the children suffer the most from this pause. They are taken out of a daycare that they know and love, taken away from their teachers and friends.”**

Providers see these effects as directly compromising their efforts to care for children and to engage in activities designed to achieve kindergarten readiness, critical social-emotional development and to provide safe after-school environments. Providers commonly describe these concerns as having potential long-term implications and frame the effects they observe in systemic terms, often remarking about how these individual outcomes would also affect communities and local economies.

**“This pause will cause a collapse of lower/middle class workers as they are barely making it with assistance and put children in dangerous situations where they are being placed with people or caregivers who are not certified to keep them.”**

Providers expressed a commonly held frustration with the CCPP pause and decision-making, often describing a sense of dissatisfaction with system-level decisions. They associate the abruptness of the CCPP pause with a lack of communication and a lack of acknowledging the impact it would have on operations. They associate the loss of CCPP with a lack of policymaking that reflects revenue needs for child care. They associate the continuation of quality activities, observations and what they experience as increased administrative burdens while they lose staff and children with a lack of acknowledgement or understanding of their economic realities following the CCPP pause. These perceived disconnects have led to deep distrust among some providers, which may affect CCPP participation and undermine quality improvement efforts in the long-term.

**“I will no longer accept CCPP after [date removed]. I do not want my business to be dependent on a program that is so unstable. I will lose some children because of this but I feel it is the best choice for my center. Maybe later down the road I can accept this program again, but not at this point in time.”**

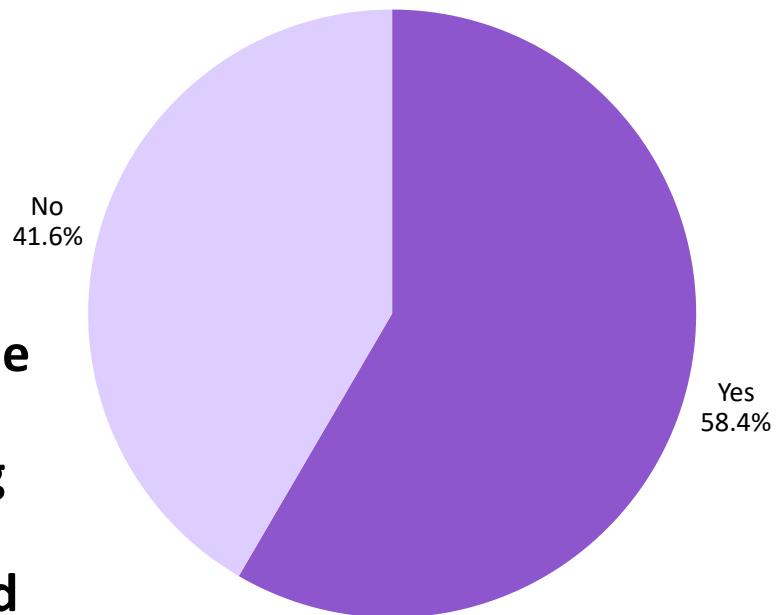
*Input about Recent Quality Improvement Activities*

We included one question about Quality Support System (QSS) participation, though we received a significant level of written input about QSS. We asked providers if they think QSS activities should be paused until the CCPP pause was lifted. Most respondents (58.5%) affirmed QSS implementation should be paused until the CCPP pause is lifted. Providers' written input included expressions of a preference for a pause in QSS activities and some comments provide context for why some providers are uncertain. The sample response did not include written comments providing context for why QSS activities should be continued, but 41.5% of providers responded that QSS should not be paused.

**“Unsure if QSS should pause because it is only a few kids in the classroom that they are monitoring. It’s a shame that we as caregivers had to take a loss in revenue and kids that we so loved because their parents were not able to pay out of pocket for childcare. Between paying mortgage, light bills, car note, gas bill, etc, they had to choose being stable in their homes cause they couldn’t pay.”**

*Providers most commonly associate the loss of CCPP and revenue shortages as direct impediments to their ability to provide high-quality child care. They experience revenue they receive from the CCPP program as a primary reason they can retain staff and that recent QSS experiences that benefitted staff have been undermined as they have had to terminate such staff due to the loss of revenue and children after the CCPP pause.*

Should QSS be paused until the CCPP pause is lifted?  
(Unweighted Respondent Total)



Numerous providers point to CCPP pause-induced staffing shortages and revenue losses, fewer children in care and fewer parents able to afford care as negatively affecting their participation in current quality improvement activities.

**“Due to the staffing changes and low funding the QSS should be put on hold.”**

**“Regarding the QSS: we are losing staff after they’ve been trained. The vouchers are being cut. It’s not fair for parents to quit their job due to not having childcare. Plus, we trained staff to go through this QSS but we have to lay them off. So now when QSS comes out, if we have new staff they won’t know the training. It’s a never ending cycle. It’s stressing owners/directors out. It would be nice to pause QSS until centers catch up.”**

**“I don’t think it (QSS) should be a program. To me it’s a waste of money and time just as the stars program was. Childcare is guiding, loving, playing, singing, and reading. We are their families when their parents work! Take that money and hire qualified staff that stay like they do with Head Start. Child care centers do more than enough and aren’t paid enough to teach 24/7 year round.”**

**“The Quality Support System is requiring too much work for the money that we have to dispense to present staff. We need the money from CCPP [that was] taken away in order to operate fully and functionally in line with MD[H]S regulations.”**



**“This pause is absolutely the most horrible experience in childcare history that I have seen. What I’m not understanding is why and how there are other programs being funded...what is the purpose for it. It needs to be done with or on pause as well. What are we elevating? The children are not in our centers because of the loss of childcare. You’re elevating or monitoring 1 child versus having 15 to 17 in that particular classroom. It makes no sense and is a waste of money and our time as providers. We are already under enough stress as it is. No staff... they are quitting on us. So the few children we have left in the centers we are having to wear many hats opening the center trying to do instructor time, lesson plans, prepare the meals, and snacks for them and not to mention the paperwork. It’s more to do with not knowing if we have to close our centers.”**

## Analysis of Sub-Themes Related to the Effects of the CCPP Pause and QSS Participation

Several themes emerged in comments specifically about the QSS and many discussed a disconnect between what they see as the primary need to make QSS efforts successful (restoration of CCPP funding) and what they see being implemented (quality support activities that are not helping them with revenue to retain staff or increasing the number of children receiving CCPP). An analysis by primary sub-theme is included in the table below.

Sub-Theme	Examples from Qualitative Data	Observations and Analysis
<p><b>QSS Priorities are not aligned with CCPP providers' most pressing and urgent needs, which involve restoration of CCPP and financial stabilization of their business</b></p>	<ul style="list-style-type: none"><li>• “I don’t think it (QSS) should be a program, to me it’s a waste of money and time just as the stars program was.”</li><li>• “What I’m not understanding is why and how there are other programs being funded... It’s a waste of money and our time as providers.”</li><li>• “The Quality Support System is requiring too much work for the money that we have to dispense to present staff.”</li><li>• “It’s a never ending cycle. It’s stressing owners/directors out. It would be nice to pause QSS until centers catch up.”</li></ul>	<p>Many providers describe a perception that QSS activities were not aligned with their most urgent needs following the CCPP pause, describing funding and financial improvement as their most urgent needs. They describe experiencing additional requirements as burdensome in the context of reduced center capacity following financial impacts. Numerous providers experienced participation in QSS during an active funding crisis as unacknowledging of the realities of financially strained or understaffed centers they operate.</p> <p>In the context of CCPP pause effects, providers describe experiences that QSS adds administrative burden, creates staffing challenges, and diverts funds that should support families' child care access. Providers express not feeling like their centers' business stabilization challenges are being acknowledged by policymakers.</p>

## Analysis of Sub-Themes Related to the Effects of the CCPP Pause and QSS Participation

Sub-Theme	Examples from Qualitative Data	Observations and Analysis
<p><b>Perception That Quality Activities are Not Increasing Highly Trained Staff Retention or Low-Income Child Enrollment in Child Care Centers</b></p>	<ul style="list-style-type: none"> <li>“You are elevating or monitoring 1 child versus having 15 to 17 in that particular classroom. It makes no sense.”</li> <li>“We should not be pausing childcare funds to pay retired teachers to come observe childcare workers... They want to just come and observe teachers which takes funds away from children.”</li> </ul>	<p>Providers repeatedly state that QSS monitoring does not improve their center's ability to retain qualified staff or increase revenue to pay highly-qualified staff, which are factors they associate with quality improvement. Providers express being supportive of quality improvement efforts, but in a time of funding reduction related to the CCPP pause, they perceive quality efforts as drawing resources away from serving children.</p> <p>Providers describe perceptions that quality monitoring systems risk being ineffective if they do not directly improve access to care and often express a preference for meaningful investments in the child care workforce and in CCPP to improve child-teacher interactions. They argue that quality improvement depends greatly on staffing, pay, stability, and funding as primary factors.</p>
<p><b>Providers commenting about QSS also showed a preference for increasing spending on Direct Child Care Support</b></p>	<ul style="list-style-type: none"> <li>“Take that money and hire qualified staff...”</li> <li>“If those funds would have been available we could have paid more childcare teachers...”</li> <li>“What are we elevating, the children are not in our centers because of the loss of childcare...”</li> </ul>	<p>CCPP providers commonly stated that funds should be prioritized for child care vouchers, staff wages, or center operations, implying that quality improvement depends on funding as much or more so compared to monitoring and other quality improvement activities. Providers argue that quality improves when centers are well-staffed and funded and when children do not face barriers to access.</p>

## Analysis of Sub-Themes Related to the Effects of the CCPP Pause and QSS Participation

Sub-Theme	Examples from Qualitative Data	Observations and Analysis
<p><b>Quality Improved Most Effectively and Directly by Increased Funding Because More Children Were in Care</b></p>	<ul style="list-style-type: none"><li>• “If our focus is truly on Kindergarten Readiness, then we have to get these kids back in school.”</li><li>• “Children are home not learning. This is unfair to the children who deserve a quality early childhood education.”</li><li>• “The children do not get the education or engagement they need to be prepared properly for starting school.”</li></ul>	<p>Providers expressed deep concerns about children exiting their care after losing CCPP and the effect this has had on child education and development.</p> <p>A common observation is that an effective way to support quality improvement is the restoration of CCPP funding. Access to CCPP enables access to quality early childhood education for most of the children survey respondents serve.</p> <p>Providers overwhelmingly argue that quality declines when children lose access to CCPP. The pause in CCPP funding is viewed as a primary quality crisis because providers associate the pause as causing many children to lose access to a learning environment.</p> <p>Many provider comments imply that QSS expectations are structured for centers with stable staff and resources, not those in rural, low-income, and high-need areas whose operations have been drastically affected by the CCPP pause and funding reduction.</p> <p>It is perceived that QSS activities reflect institutional expectations rather than serving to redress endemic challenges experienced by low-resourced, historically marginalized communities. Providers see the mismatch as evidence that policymakers misunderstand their realities.</p>

## Analysis of Sub-Themes Related to the Effects of the CCPP Pause and QSS Participation

Sub-Theme	Examples from Qualitative Data	Observations and Analysis
<b>QSS Training and Monitoring Outpace Resources During Time of Staff Decline and Child Enrollment Decline</b>	<ul style="list-style-type: none"><li>“We are losing staff after they’ve been trained... So now when QSS come out, if we have new staff they won’t know the training.”</li><li>“We are having to wear many hats... opening the center, instructor time, lesson plans, meals, paperwork...”</li></ul>	<p>Providers describe barriers they have experienced as QSS requires substantial preparation, training, and compliance, yet their staff capacity and financial stability are declining due to the CCPP pause. As a result, some providers report that QSS can become unmanageable. Providers perceive QSS as demanding that staff are trained, consistent, and stable—but the CCPP pause has caused instability in the form of layoffs, turnover, and understaffing. As a result, providers viewed QSS expectations as unrealistic and unsupportable in their current environment (Survey was post CCPP-pause in late Summer 2025).</p>

**“We have been devastated by this tragic loss of childcare funds. Families have had to quit jobs and suffer household income because of the loss of childcare subsidy. Due to such a great impact the children do not have adequate meals at home, adequate educational influences, lacking educational experiences and lasting socialization skills. Their learning and potty training skills have been declining. Parents call me daily to ask if anything has come through with childcare payments because their income through our rural area is not enough to afford childcare. It has also impacted the staff and programs available. We should not be pausing childcare funds to pay retired teachers to come observe childcare workers. If those funds would have been available we could have paid more childcare teachers which would have brought down our child/teacher ratios. Instead of giving this money to TA staff (which do not provide the care for the children), they want to just come and observe teachers which takes funds away from children who could be served in childcare programs instead.”**

#### *Interrelatedness of CCPP and Systemic Child Care Issues*

CCPP providers responding to our survey provided unique experiential data about the impact the CCPP pause in 2025 had on their collective operations serving thousands of children and families across Mississippi. While each child care provider in our survey sample is unique, they describe issues with remarkable consensus and they clearly see the solutions that both parents and providers need. While themes throughout this report have been synthesized to better understand survey findings, including impacts on children, on parents, on staff, on centers and on systemic outcomes, the various effects of the CCPP pause we report are interrelated.

One provider comment encapsulates the interconnectedness of the CCPP pause, recently required QSS observations, the impact of the loss of low-income children enrolled, parents' inability to afford child care costs and how the change in enrollment with fewer low-income children may affect their eligibility for other programs they rely on as a revenue source. When CCPP is lost, a domino effect occurs:

**“QSS came [date of observation redacted]...and it was so hard because we had classes closed and staffed moved around after reductions. We have a waitlist but have stopped taking names while we weather the storm. We've retained a few families after certificates were not renewed but they are struggling to pay full rates so unsure how long it will last. Our primary concern currently is keeping enough low-income families to have 25% free/reduced for food programs. If we lose CACFP funds we will have to shut our doors for sure. Last 5 years we received 90% of our food costs in reimbursements and if we lost that we will have no way to stay open.”**

Long-term CCPP providers describe CCPP access as not only a critical work support for parents, but also an essential piece in the early childhood education puzzle in their local community. Numerous providers describe how CCPP helps low-income working parents afford care and this means as early childhood professionals, they can help children of low-income parents successfully transition into elementary education.

**“I have been in business for over 20 years. I love what I do and it has shown due to the outcome of my preschoolers showing outstanding scores upon entering kindergarten. I've relied on parent payments and the certificate program to stay afloat. I'm now down to 18 children. I like the pre-k programs in schools but for those of us who have put their own money and loans to build a childcare center to provide early childhood education as well are now being forced to rely on infants up to 2 years or close. I only accept 2 year and up due to my center size to teach and help prepare them for kindergarten. I'm saddened at this point of not knowing what to do, especially after being in business for over 20 years.”**

Child care providers view the state's CCPP system as inextricably linked to other critical social and economic systems, which are affected by shifts in CCPP. When robust and seamless, providers see CCPP playing a crucial role in improving early childhood education for all children in their community by creating access to quality care, by improving the financial stability and viability of child care centers and by providing support for parents to afford costs. Providers see CCPP as supporting the state's workforce and allowing employers in local economies to benefit from stable child care options for parents.

## Recommendations

### Federal Revenue Options to Increase Funding for Child Care Subsidies

Repeatedly in the survey response, CCPP providers cite funding shortages and too few parents accessing CCPP as resulting in multi-faceted negative effects on children, parents, child care staff/teachers, child care centers and participation in programs to improve systems. Increasing funding for CCPP is directly responsive to needs of parents and child care providers.

MLICCI has identified two federal funding options that would increase revenue in the state's CCPP program:

**1 Mississippi should utilize readily available TANF funds to respond to the state's child care need.** Temporary Assistance for Needy Families (TANF) Direct Child Care Spending on Child Care Non-Financial Assistance for Working Parents – States are allowed to spend federal TANF funds directly on child care subsidies, such as those provided by CCPP. While Mississippi already commits some federal TANF funding to CCPP through a different mechanism (a transfer of 30% of annual TANF funds to the child care block grant), the state does not utilize its TANF Direct Spending option. States are allowed to spend an unlimited amount of current- and prior-year TANF funding on child care and states have flexibility in creating rules for participation. MLICCI published a policy framework and recommendation for this approach in 2025. Mississippi historically underspends its TANF block grant. There are adequate funds to increase federal TANF spending on CCPP subsidies. States including Texas and Ohio are models for this approach.

In addition to maximizing the transfer (30%) of annual TANF funds directly to CCDF and simultaneously increasing TANF Direct Spending on CCPP child care subsidies for working parents, Mississippi lawmakers should enact legislation to require all unobligated/unliquidated federal TANF funds to be re-allocated each federal fiscal year for purposes of funding TANF Direct Spending on CCPP subsidies for working parents.

**2 Mississippi should work to increase child care center participation in CACFP directly or through sponsor programs, which retain an administrative fee, as an additional revenue stream for CCPP child care providers.** Child and Adult Care Food Program (CACFP) – Child care centers are eligible to participate directly or via a CACFP sponsor organization to receive federal reimbursements for qualifying food costs. This program is a federal entitlement program, so funds are available for qualifying centers. While providers typically experience administrative burden due to heavy paperwork and rigorous program requirements, revenue can support a significant portion of a center's food budget, increasing revenue for staff and other costs of providing care. Increasing CACFP participation would necessitate easing child care center access to and administration of CACFP.

## Conclusion

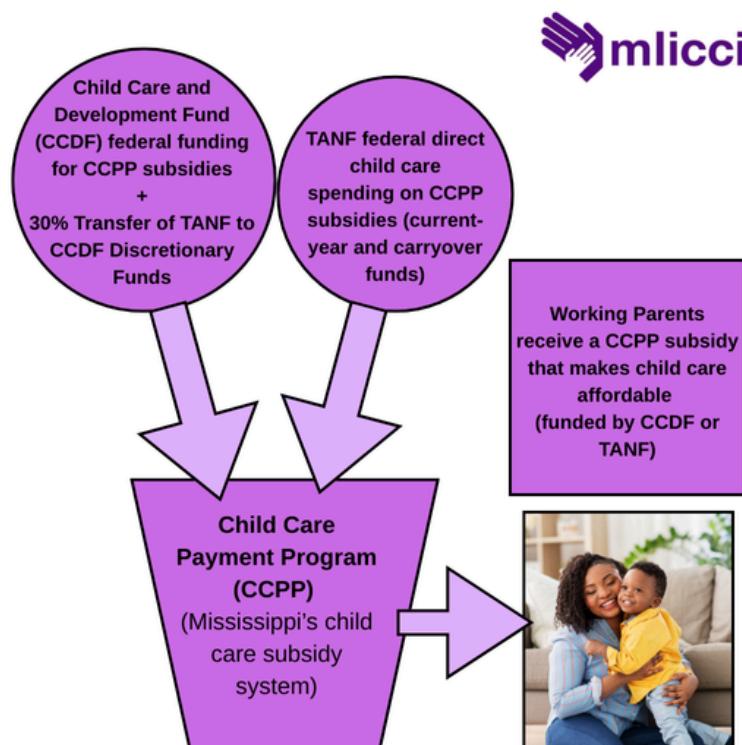
CCPP providers responding to our survey shared their experiences operating within a child care system enduring a phase of instability due to the April 2025 CCPP application pause and funding reduction. They provided perspectives as early childhood practitioners and data they've collected about the impact of the pause on their centers. An important takeaway is that providers need their current realities to be acknowledged and reflected in CCPP child care system priorities. For example, feedback about considering the impact of QSS activities on CCPP providers who are reeling from financial impacts due to the CCPP pause is a common theme our research surfaced, as is a widespread desire for increasing CCPP revenue to increase access to child care.

Despite severe impacts on their businesses and so many contemplating closure and having already had to downsize operations, CCPP providers are primarily concerned about children they lost after the pause and are stretched thin trying to help parents who desperately need child care to remain employed. For families, particularly those headed by single moms, the circumstances are dire. Our state's CCPP child care providers are a lifeline for communities. Increasing public investment in our state's CCPP program would help improve cross-sector challenges, including improving labor force participation and child development outcomes.

While the state had announced the potential reduction in child care services after COVID funds expired, it had also reported an increasing amount of unspent, unobligated federal TANF funds that could allowably be used to sustain the child care subsidy program to pre-April 2025 levels. Other states, like Ohio and Texas, recently chose to use unspent TANF funds on child care subsidies. We are recommending an increased commitment of federal TANF funds for CCPP subsidies.

In 2025, our state saw a decrease in access to affordable child care while employers need more, not fewer, options for parents they employ. By moving forward with cuts, fewer options for accessing affordable, high-quality care are now available to parents, meaning fewer opportunities for children and parents to enjoy the benefits of child care stability.

More parents accessing CCPP will result in more parents working or getting into education & training. The state's CCPP program grew in recent years because of improved policies and a state economy that is driving increased demand for child care for working parents. These are good developments and should be built-upon. The reality that Mississippi's working parents need help affording child care should be acknowledged and mitigated. It is a problem we can solve.



## Appendix

### Survey Method and Research Notes

MLICCI held a meeting in June 2025 with its Child Care Leadership Team (CCLT). More than 200 CCPP child care providers, including owners and center staff, attended the meeting in Jackson, MS. MLICCI shared details regarding our paper-based survey, providing information about what to expect regarding the survey process, what kind of data we would be asking them to share and reasons their experiences are important to share with decision-makers. MLICCI distributed a paper-based survey through the postal mail to 92.5% of CCPP-participating licensed child care centers in late summer 2025. MLICCI included a cover letter explaining that responses would be used in a report but kept anonymous. MLICCI informed CCPP providers that their participation was voluntary. MLICCI offered a \$1,000 cash gift as a participation incentive to be awarded to one participating child care center submitting a completed survey. MLICCI drew a winner from the total pool of participating centers after the survey close date. MLICCI collected responses in August and September 2025.



### Geographic Distribution of Responding Centers

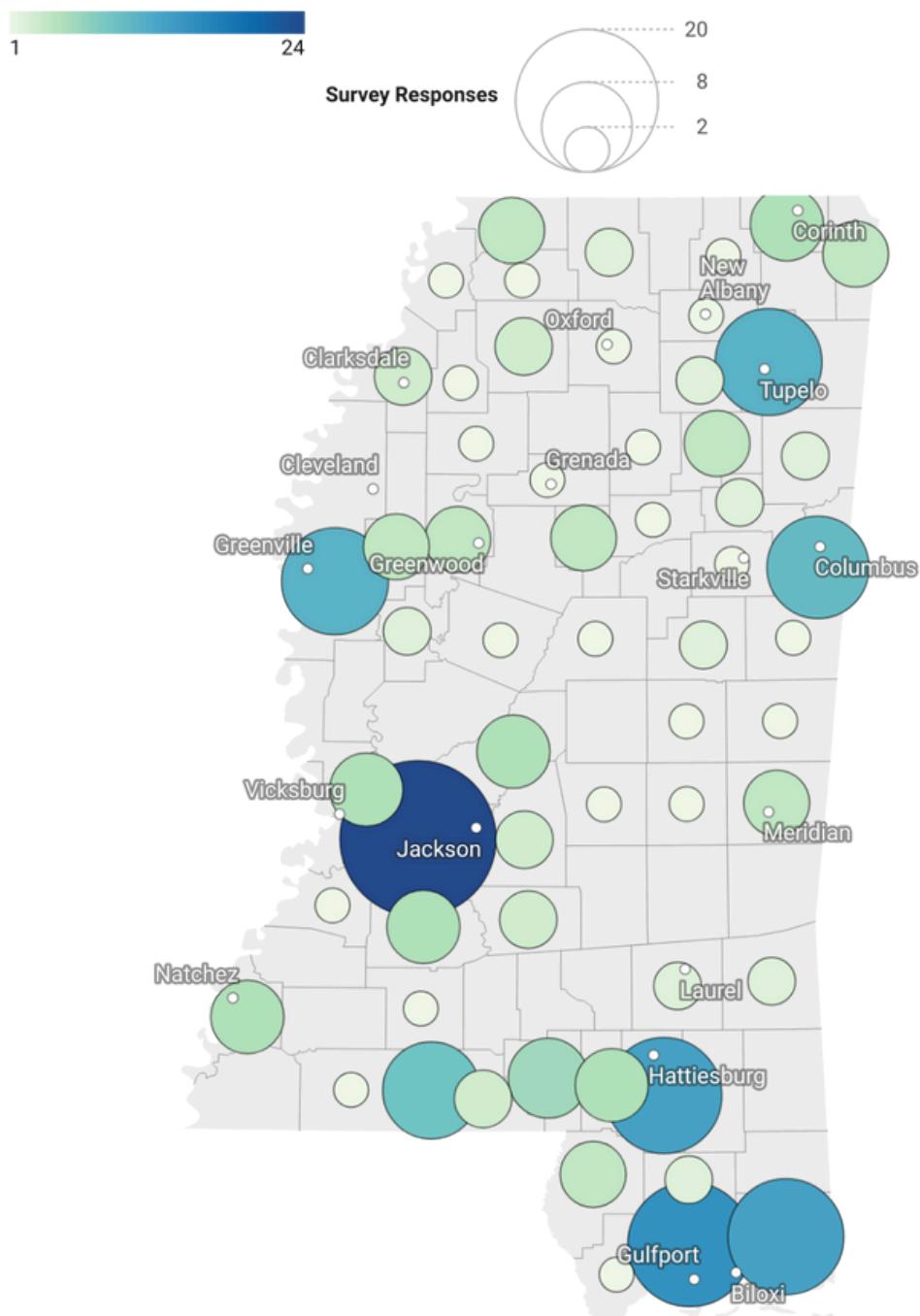
MLICCI uses geographic boundaries established by Mississippi's workforce development system as an established county grouping. MLICCI did not select this county grouping at random, rather applied these established regional boundaries to our survey sample. MLICCI applies these geographical boundaries in our direct service work across the state, connecting single moms to direct child care assistance, application assistance for CCPP subsidies and employment services. MLICCI's case managers cover these regions and communicate with CCPP child care centers within these regions. The purpose of applying these geographic boundaries is to compare survey response rates at a broad regional level to identify possible bias and to understand if results are skewed by over- or under-sampling in certain regions. We use the Local Workforce Development Area (LWDA) geographic boundaries to divide the state into four distinct county-groupings. We grouped survey responses by region to understand at a statewide and regional level how evenly distributed our responses are relative to the actual distribution of CCPP child care centers across these regions. MLICCI did not apply any statistical methods to alter survey response data. The unweighted survey response rate regional distribution is compared with the regional distribution of the total CCPP child care center population being surveyed. Readers should take these factors into account when interpreting or extrapolating results to statewide figures.

### Comparison of CCPP Center Survey Respondent Group Distribution and Licensed CCPP Center Distribution by Local Workforce Development Area County Groupings

Geographic Region	Percent Distribution of Completed Surveys by Region	Percent Distribution of Total Licensed CCPP Child Care Centers by Region	Survey Response Rate by Region
Twin Districts LWDA (Southern and Coastal region)	31%	24.5%	27.9%
Delta LWDA (Delta and Western region)	13.5%	14%	21.4%
Southcentral LWDA (Southcentral and Central Region)	28.4%	32.8%	19.1%
MS Partnership LWDA (Northern and Northeastern region)	27.1%	28.7%	20.9%
Statewide	229	1,036	22.1%

MLICCI received responses from child care providers operating in 72% (59 of 82) of the state's counties. A map displaying the statewide distribution of child care center responses shows that MLICCI received higher numbers of survey responses from more populous areas of the state. This result is expected and is due to a higher number of CCP centers in these areas. The map shows MLICCI received responses from child care providers operating centers in metro and rural areas. While concentration of responses follows patterns of population density, the widespread distribution of MLICCI's survey response affirm an acceptable level of geographic representation of survey respondents across major regions of the state.

### Survey Responses



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### *Confidence Level, Margin of Error and Statewide Interpretation*

MLICCI has calculated a margin of error and confidence interval associated with the survey sample. While MLICCI presents unweighted survey findings in this report, it is important for readers to understand the extent to which the sample is representative of the target statewide population. MLICCI's target population is the CCPP child care center universe in Mississippi, which totaled 1,036 according to a 2025 Mississippi State Department of Health Child Care Licensure spreadsheet containing information on all licensed child care centers in Mississippi approved to serve families using CCPP vouchers. MLICCI obtained this data from the MSDH via Public Records Act request. Given this population is relatively small, MLICCI presents survey results throughout the report as specific to the "respondent group," meaning we did not extrapolate the findings to the entire CCPP provider universe in the state. MLICCI collected a total number of completed unique survey responses representing 22.1% of CCPP providers statewide. This is an acceptable sample size and data provided is rich and meaningful, yet at best, the sample is adequate to interpret statewide results for all CCPP child care center providers at the 95% confidence level with a +/- 5.7% confidence interval, or margin of error. This margin of error is higher for questions receiving less than a 100% response rate. Other factors such as non-response bias or other potential response or sampling bias may have affected our survey response. MLICCI recommends using unweighted results in the appropriate context, but offers this analysis to address applicability of the sample's findings across the entire CCPP provider universe in Mississippi and recommends contacting the authors of this report for any use of data beyond what is presented in this report to ensure an accurate margin of error can be calculated. Some provider types, such as home-based or family child care providers, were not included in MLICCI's survey sample. These providers also likely experienced impacts related to the 2025 CCPP pause and funding reduction, but this survey was designed only to reach center-based CCPP providers.

It is possible that licensed child care centers participating in CCPP chose not to respond to our survey. It is also possible some providers were more likely to volunteer to respond. It may be the case that some had already been adversely affected by the CCPP pause or did not expect to be adversely affected and were non-responsive as a result. We attempted to control for any selection bias by distributing the survey to nearly the entire statewide CCPP provider universe. Completed surveys we received were all analyzed. We did not exclude any survey responses, nor did we randomly select which survey responses to include. We offer geographic distribution of survey responses to demonstrate our sample was not drastically geographically over- or under-represented. Given widespread effects of the CCPP pause and the systemwide nature of funding cuts, affected providers are likely underrepresented in the sample, though the sample group is highly affected by the CCPP pause based on survey findings. Some differences in response may be related to voucher density, where those centers with higher CCPP participation are more likely to respond to a survey about the CCPP pause, but we lack data to calculate voucher density among non-responsive CCPP centers. It is possible some centers lacked staff and time to physically respond to the survey and follow mailing return instructions. These and other factors may have influenced MLICCI's survey response and sample group composition.

### Sources

1. *Kimberly Burgess, Nina Chien, Maria Enchaitegui, "The Effects Of Child Care Subsidies On Maternal Labor Force Participation In The United States,"* (2016) Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Available at: <https://aspe.hhs.gov/effects-child-care-subsidies-maternal-labor-force-participation-united-states>.
2. Testimony provided by the Executive Director of the Mississippi Department of Human Services on November 14th, 2025, to the Senate Labor Force Participation Task Force and the Study Committee on Women, Children and Families. Video is available at: <https://www.youtube.com/live/r9ui7EJTBr>.
3. Testimony provided by the Executive Director of the Mississippi Department of Human Services (MDHS) on December 9th, 2025, to the Mississippi Senate Study Committee on Women, Children and Families. Video is available at: [https://www.youtube.com/watch?v=QtFo-\\_HQkTY&t=6366s](https://www.youtube.com/watch?v=QtFo-_HQkTY&t=6366s).