THE HISTORY OF CCDBG

Established in 1991, the Child Care and Development Block Grant (CCDBG) is the primary federal grant program that provides child care assistance for families in need. CCDBG is administered to states in block grants. States use the program to subsidize child care for working families with low incomes. Most of this assistance is administered through vouchers or certificates, which can be used by parents to select the high-quality provider or program that works best for their family.

Congress reauthorized CCDBG in 2014 with overwhelming bipartisan support. The CCDBG Act of 2014 improved child care health and safety standards, and provided funding to help make quality child care available to more families with low incomes. The 2014 law also mandated that states meet new requirements on comprehensive criminal background checks and disaster preparedness/response planning, among other critical improvements.

A JOB NOT FINISHED

Despite the reauthorization, Congress failed to provide sufficient funding to help states make quality child care available to millions of families that need it. Today, states use resources from other federal funding streams, including Temporary Assistance for Needy Families (TANF), to ensure families don’t lose critical access to child care.

The lack of adequate funding has hampered states’ ability to provide quality child care to working families. Currently, only 1 in 6 families who qualify for child care assistance receive it.

States continue to request and receive waivers from the Administration for Children and Families (ACF) to delay implementation of the new requirements, particularly background checks. Additionally, FY2016 saw the lowest number of children served by the grant in nearly 20 years.
WHY CCDBG MATTERS IN GEORGIA

In FY2018, Georgia received a historic $91.5 million increase in CCDBG funding. With this increase, Georgia increased its tiered payment rates for all providers in the state’s Quality Rating and Improvement System (QRIS). In addition, the state began paying 50 percent above the base rate to providers awarded Quality Rated Subsidy Grants; the state also plans to expand the number of Quality Rate Subsidy Grant slots by 500.

Georgia also made a commitment to ensure that no family pays more than 7 percent of its income in co-payments for child care—as recommended in the federal CCDBG regulations. Unfortunately, this will require even more CCDBG funding to help cover costs. With over 500,000 children under the age of 5 in households where all parents are in the workforce, the FY2018 increase in CCDBG funding works out to just $183 per child in potential need of care. With the cost of infant care at $8,327 in a center and $6,454 in a home, more CCDBG funding is needed for Georgia to fulfill its commitment to families.

The state also plans to increase its base payment rates for care for infants and toddlers to the 25th percentile of the 2016 market rates. Raising payment rates is crucial, since it helps providers cover the costs for children on the subsidy and expands access to quality programs. However, the new rate remains far below the recommended rate of the 75th percentile of current market rates. If payment rates stay low, providers must cover the remaining costs some other way—often operating at a loss. An increase in CCDBG funding will be necessary to raise these rates and incentivize providers to serve families utilizing the subsidy.

HOW CONGRESS CAN HELP IN 2019

CCDBG remains underfunded, despite the funding increase in FY 2019 of $2.4 billion. While this funding allowed states to begin the intense work of revising their child care systems to help thousands of children and families gain access to high-quality care, it did not fully meet the critical need for high-quality child care.

In fact, even with CCDBG’s historic increase, federal funding for child care is still $1 billion less than FY2001 levels, when adjusted for inflation.

Given the population growth since 2001, it is clear that states still do not have enough funding to meet the needs of families.

For this reason, we ask that Congress increase CCDBG funding by an additional $5 billion in FY2020. This will help states meet the 2014 requirements and increase the number of children served.