CHILD CARE AND DEVELOPMENT BLOCK GRANT

We ask that Congress increase CCDBG funding by an additional $5 billion in FY2020, in order to help states meet the 2014 requirements and increase the number of children served by the grant.

2019 Agenda

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.

![Average Monthly Number of Children Served in CCDBG in the United States (in millions)](chart.png)

Source: HHS administrative data.

Fewer than 1 out of 6 children eligible for CCDF are being served.
WHY CCDBG MATTERS IN KANSAS

In FY2018, Kansas received a historic $19.2 million increase in CCDBG funding. With this funding, Kansas raised the subsidy reimbursement rate from the 40th percentile of 2014 markets to the 65th percentile of 2017 markets. Subsidy reimbursement is important for helping providers cover the costs for children using the subsidy. By increasing rates, families saw a decrease in their out-of-pocket expenses for child care, thus expanding access to quality child care programs. This is important, since Kansas experienced a 16 percent decline in the monthly number of families served by the subsidy between 2015 and 2017, despite no change in the number of families eligible.

Unfortunately, recruiting and retaining child care providers remains difficult without further increasing CCDBG funding. One cause is low wages for child care workers, who, on average, earn less than $20,000 per year in Kansas and often lack access to any benefits. In many cases, qualified child care workers may even qualify for the subsidy themselves. The result: a 27 percent decline in Family Child Care capacity from 2010 to 2018. While higher maximum rates may increase families’ access to high-quality care, it still leaves many providers below what is needed to sustain quality care. With more CCDBG funding, rates could be increased to a level that would better serve both families and providers in Kansas.

Finally, Kansas remains behind on important requirements from the 2014 CCDBG reauthorization, including implementation of the background check provision. Providers are finding it difficult to cover the costs of many of these provisions. Increasing CCDBG funding could provide the resources and technical assistance necessary for these new requirements.

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.