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 MARYLAND

In FY2019 Governor Larry Hogan announced that Maryland's Child Care Subsidy (CCS) Program would allow more children across the state to access quality child care and educational programs, thanks to the historic increase in CCDBG funding.

Effective August, 2018, annual income eligibility limits for the CCS Program were effectively doubled from $35,702 to $71,525 for a family of four. Additionally Governor Hogan approved the funding needed to eliminate the CCS Program waitlist that was established in March 2011. These changes to the CCS Program will result in more Maryland children arriving at elementary school with the foundation needed for success.

In addition, the governor provided much needed funding to increase the CCS Program provider reimbursement to the 20th percentile. He also signed legislation that mandates an increase in these rates over the next three years to not less than the 60th percentile, making Maryland the first state to establish a floor for rates. This is crucial since increased rates enable providers to cover the costs of care for children on the subsidy and ultimately increases access for these children to quality programs.

With an increase in CCDBG funding for FY2020, Maryland would plan additional improvements to the CCS Program, including raising reimbursements for family child care, which have been historically lower than center-based care, and raising the overall reimbursement rate to the 75th percentile.

With these changes, we experienced a 35 percent increase in families using the subsidy program. We anticipate that increased CCDBG funding would allow even more utilization of the program by Maryland families.

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.