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.

![Graph showing the average monthly number of children served in CCDBG from 1998 to 2016.](Image of graph)

Fewer than 1 out of 6 children eligible for CCDF are being served.

Source: HHS administrative data.
WHY CCDBG MATTERS IN OKLAHOMA

As the first state to have a tiered provider reimbursement system tied to quality, Oklahoma has been a leader in creating a strong child care system. However, since the 2014 reauthorization of CCDBG, many states have now surpassed Oklahoma. In addition, child care programs had not received an increase in payment for nearly a decade.

Oklahoma received an additional $32 million in FY2018 and immediately put the dollars to work. For example, the subsidy reimbursement rate for providers was raised from the 39th to the 70th percentile. For a 2-star program with 20 children utilizing child care assistance, this is an additional $5,000/month to raise teacher wages, invest in professional development, or purchase materials for the classroom.

In addition, $8 million was used to raise the eligibility income for families. At a time when families are not at their highest earning potential, they are forced to pay more than the cost of tuition for quality child care. A family of four making $56,000 is now eligible for child care assistance and no family will have a copay over 7 percent of their household income.

While the increase in funding has helped Oklahoma, more must be done. Only 8 percent of children who need care utilize the child care subsidy. Provider rates are still not at the recommended 75th percentile of the market. In addition, there has been a 35 percent decline in the number of licensed child care programs over the last decade. Maintaining access to quality, affordable child care has the potential to serve as a viable economic development policy channel going forward. With more CCDBG funding, we can do it.

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.