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.
WHY CCDBG MATTERS IN TEXAS

In FY2018, Texas received a historic $230 million increase in CCDBG funds. With this increase, Texas will serve an estimated 28,000 children who were on the waiting list for child care assistance. The state also increased its base payment rates for providers by 2 percent, with payment rates for providers at the four-star level of the state's quality and rating system (QRIS) increased to the recommended 75th percentile. The state was able to use additional funding to expand public-private partnership initiatives, provide support to providers affected by Hurricane Harvey, expand infant and toddler programs, and make data system enhancements.

While these are steps forward, a lot of work remains to be done in Texas. As of 2018, there are 1,364,817 children under the age of 6 with all parents in the workforce. This means the historic increase works out to just $168 per child in potential need of care. With the cost of infant care at over $9,000 in a center and nearly $7,000 for a home, more CCDBG funding is necessary in order to expand child care access for working families in Texas. Without expanding access to the subsidy, many of these families cannot afford the high cost of care.

Finally, there is a need to increase the supply of child care in Texas, particularly in rural areas. However, qualified child care workers are historically paid low wages, with the average annual income of a child care worker in Texas making just $21,570 (below the national average). In fact, many full-time child care workers lack benefits, and even qualify for the subsidy themselves. This is the primary cause of the high rate of turnover in the field and many providers closing their doors permanently. Increasing CCDBG funding can help address this wage crisis and allow Texas to recruit and retain qualified early educators and child care providers.

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.