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 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 and response planning, among other critical improvements.

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, FY2017 saw the lowest number of children served by the grant in nearly 20 years.
WHY CCDBG MATTERS IN ALASKA

In FY2018, Alaska received a historic $3.9 million increase in CCDBG funding. This funding is vital for expanding access to affordable, high-quality child care for Alaska’s working families. While this increase is important, additional funding is still needed in Alaska to support these families. Child care in Alaska can cost more than college tuition and most families have not planned for those costs. Increased funding could increase qualification standards so that more families could qualify for child care assistance and not penalized for making a higher wage.

For early education programs, Alaska’s Child Care Assistance (CCA) rates are at 13 percent of the market rate for child care subsidies – one of the lowest rates in the nation. This means the vast majority of early education programs accepting children on subsidy must cover most of the cost some other way – often operating at a loss. Raising Child Care Assistance rates enables early education programs to take in more families who are using the subsidy and increases child care options for working families. This is important given the current lack of quality options in Alaska.

Workforce support is also needed in Alaska. Currently, the average annual income of early educators in Alaska is $26,530, putting the workforce at or near the federal poverty level if they have children of their own. Combined with limited financial support available for professional development, this results in high turnover in the field and fewer quality child care options for families. CCDBG funds could expand the System for Early Education Development (SEED) in order to increase professional development supports and services to early educators.

HOW CONGRESS CAN HELP IN 2019

CCDBG remains underfunded, despite the funding increase in FY 2018 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.