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.

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 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.

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, FY2017 saw the lowest number of children served by the grant in nearly 20 years.

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WHY CCDBG MATTERS IN ARIZONA

In Arizona, many of the additional requirements of the CCDBG reauthorization have been implemented, including preschool expulsion prevention, 12-month eligibility, maximum group sizes, and health and safety training requirements. Additionally, over the last year, Arizona has implemented various initiatives that have increased the percent of children on subsidy that are placed in quality child care settings from 35 percent to 41 percent. However, improvements to increase quality and affordability of early learning opportunities for children, as well as access for low-income families and children in the child welfare system, continue to remain a critical focus.

Under the leadership of Governor Doug Ducey, the state fiscal year 2020 budget authorized the use of the additional $56 million in federal CCDBG funds to provide across-the-board increases in reimbursement rates (which had not occurred since 2007), provide additional rate increases for quality providers, and suspend the waitlist in the child care subsidy program that had been in place since 2009. It is estimated that this action will raise reimbursement rates by an average of 30 percent and result in approximately 5,000 more children served monthly.

While the additional funding has helped immensely, there is still a gap between the reimbursement rates and the actual rates charged for care. This can inhibit child care providers’ ability to obtain resources necessary to pay adequate compensation to train and retain quality teachers and staff, ensure low child-staff ratios, and cover other costs associated with offering high-quality early care and education to children. This means most providers accepting children on subsidy must cover the remaining cost some other way such as operating at a loss, requiring families to pay more out of pocket, or limit enrollment of families that pay with child care subsidy.

With additional Federal CCDBG funds, Arizona could maintain the improvements implemented and continue to increase the reimbursement rates to a level that would better serve both families and providers in Arizona.

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.