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.
WHY CCDBG MATTERS IN CALIFORNIA

With its historic increase of approximately $230 million, California lawmakers chose to heavily invest in CCDBG compliance in the FY19 budget. This included funding to increase staffing so that licensed providers could undergo annual inspections, as well as funding to develop a statewide consumer education website. Further funding was invested in the Child Care Initiative Project in order to address the 30 percent decline in family child care homes that California has been experiencing since 2008. Prior years’ funding allowed California to increase the reimbursement rate for providers and programs serving families with a child care subsidy to the 75th percentile of the most current Regional Market Rate (RMR). Additionally, families have 12 month eligibility and an increased exit level to 85 percent of state median income (SMI).

Current analysis shows that there are 1.8 million children in California whose families qualify for child care assistance and need the service, yet don't receive it due to lack of funding. However, with last year's increase, only 13,307 new vouchers were administered, 11,207 of which are set to expire in 2022. Advocates are currently requesting that the state invest in 100,000 child care spaces over the next three years. It is unlikely that California will make any significant headway in serving eligible families without significant and continuous federal funding to combine with state funding.

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.