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.

![Average Monthly Number of Children Served in CCDBG in the United States (in millions)](chart)

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

Source: HHS administrative data.
WHY CCDBG MATTERS IN DELAWARE

In FY2018, Delaware received a historic $5.8 million increase in CCDBG funding. This funding will be used to implement provisions of the CCDBG reauthorization law such as background checks, graduated phase-out for families using the subsidy, health and safety trainings, and new requirements for license-exempt providers.

Despite this, more CCDBG funding is needed to expand access to children and families so they may benefit from quality early childhood and afterschool care. Currently, Delaware has a child care supply gap of more than 68,000 slots across the state. This means more than half of children under 12 do not have access to a licensed child care provider.

In addition to the supply gap, many Delaware families cannot afford high-quality care. Delaware provides Purchase of Care (POC) subsidies to low-income families who meet the criteria through the Child Care Development Fund. However, the reimbursement rate continues to be below the market rate. Moreover, the average cost of care in Delaware ranges from $7,716 in a home and $10,759 in a center. Many families that do not qualify for subsidy still cannot afford high-quality care, thus locking them out of the system entirely.

More CCDBG funding would help Delaware address these access and affordability issues. For example, Purchase of Care reimbursement rates need to be increased and aligned to the current market rate, which is currently using the 2015 rate, to incentivize more providers to accept families on subsidy. Additionally, more consumer education is needed to spread awareness about the subsidy and help all families find child care that best suits their needs. Finally, more initiatives are needed to increase the supply of quality child care and Pre-K opportunities, particularly in high-need areas.

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.