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.
WHY CCDBG MATTERS IN IDAHO

In FY2018, Idaho received an additional $13 million in discretionary funding. These funds will allow Idaho to fully implement the subsidy requirements around graduated phase-out and co-pay adjustments, implement the updated rates for provider reimbursements, and meet the increased inspection and criminal background check requirements for child care providers. Funds will also be used to invest in increased professional development and scholarships.

Reimbursement rates are essential for providers to accept children on subsidy without operating at a loss. Idaho currently provides reimbursement rates at the 65th percentile of the market, according to the 2018 Market Rate study. With additional CCDBG funds, Idaho’s market rate could be improved to the national standard of the 75th percentile. Idaho also has a need to improve wage compensation and the education levels of early childhood educators. According to a 2015 Idaho Workforce Study, 51 percent of respondents have education beyond high school. However, more than half (55 percent) of respondents earn less than $20K a year. With additional CCDBG funding, Idaho could support its early childhood educators through offering increased opportunities for education.

Idaho remains one of a handful of states that does not invest in preschool programs, which leaves a gap in our early childhood education system. Efforts are currently in place to develop a state-funded preschool system, but one of the challenges is a lack of a qualified early childhood educators. With additional CCDBG funding Idaho can boost its efforts to strengthen the ECE labor force, which will position the state to build a preschool system with a skilled and trained workforce in place.

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.