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.
WHY CCDBG MATTERS IN IOWA

In FY2018, Iowa received a historic $19.3 million increase in CCDBG funding. This enabled Iowa to raise subsidy reimbursement levels for high-quality providers, which is crucial for helping providers to cover the costs for families receiving the subsidy. Iowa will also remove administrative barriers for families, such as giving families a 12-month eligibility period before having to reapply.

Despite these improvements, there remains a child care crisis in Iowa. Currently, 75 percent of children in Iowa have all available parents in the workforce. Among them, 94 percent are women who involuntarily work part-time due to child care problems. Only 12 percent of children aged 0-5 in families with low incomes have access to quality care. And Iowa has lost 40 percent of its registered child care providers in the last 5 years.

More CCDBG funding is crucial for expanding access to quality child care. The average cost of full-time, center-based infant care in Iowa is $10,131 a year for one child—higher than in-state public college tuition. For a single-parent family at the median income in Iowa, infant child care costs 40.3 percent of earnings. For many families, access to the subsidy is necessary to afford child care so they can work and provide for their children.

Almost one-fourth of Iowans live in areas with an undersupply of licensed or registered providers. That number is even worse for infant and toddler care. Poor provider pay is the primary culprit. In fact, early childhood educators are compensated so low that 53 percent receive public benefits themselves. Increasing CCDBG funding could address this wage crisis and help to recruit and retain qualified educators.

Child wellbeing remains an important issue to Iowans, with a recent poll of over 500 Iowa voters finding that 80 percent believe “improving the health, education, and wellbeing of children” is a high priority that presidential candidates need to address. In addition, 58 percent of those surveyed believe that the president and Congress need to invest more money when it comes to children's wellbeing.

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.