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 MICHIGAN

In FY2018, Michigan received a historic $62.8 million increase in CCDBG discretionary funding. This money will be used to update the payment structure for subsidy providers, expand T.E.A.C.H. Scholarships for providers pursuing additional educational credentials, and invest in caseload increases.

While the increase in funding has been important, increased investments are important to expand access to quality child care for Michigan's working families. Currently, the initial eligibility rate for child care assistance is set at 130 percent of the federal poverty level (FPL), one of the lowest initial eligibility rates in the country. This means that a single parent making a salary of $22,000, or a couple with a household income of $27,000 per year, would not qualify for assistance. But with the annual cost of child care ranging from over $7,300 in a home to over $10,600 in a center, these families would not be able to afford child care. Many Michigan families remain ineligible for child care subsidy in Michigan, hurting their ability to afford child care. A strong, sustained CCDBG investment could allow Michigan to address this.

In addition, Michigan is facing a shortage of child care providers, leading to the formation of “child care deserts” across the state. In fact, many family child care providers are closing their doors every month in Michigan. Part of this is due to low compensation: the average salary of a child care worker in Michigan is currently just $23,020 and early educators often lack access to benefits. Increased funding could go towards better supporting the workforce and retain qualified providers.

Finally, in addition to addressing eligibility and the workforce, increased CCDBG funding will help Michigan meet provisions of the CCDBG reauthorization requirements, including comprehensive background checks for over 90,000 providers, employees, and adult family members in homes and group homes.

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.