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.

[Graph showing average monthly number of children served in CCDBG in the United States (in millions)]

Fewer than 1 out of 6 children eligible for CCDF are being served.
WHY CCDBG MATTERS IN NEVADA

In FY2018, Nevada received a historic $21.5 million increase in CCDBG funding. This funding enabled Nevada to increase the number of eligible children served by the subsidy. Additionally, the funding enabled Nevada to increase the number of providers participating in its quality rating system by investing in support mechanisms such as coaching.

The historic increase also enabled Nevada to raise the subsidy reimbursement rate from the 2004 market rate to the 2015 market rate. Subsidy reimbursement is crucial for helping providers cover costs for children using the subsidy, and low rates make it difficult for providers to accept more children on the subsidy. In Nevada’s case, relying on outdated market rates was straining the system. Increasing these rates was a major step forward.

While the increase in CCDBG funding has been great for Nevada, continuing to increase funding could help address persisting issues. For example, even though Nevada raised subsidy reimbursement to the 2015 market rate, CCDBG requires the use of current market rates. If Nevada does not make more changes, the gap will increase again and problems will reemerge. Moreover, Nevada’s subsidy program only serves 5.84 percent of eligible children. While this is up from 3.21 percent in 2015, it remains far below the national average, and the majority of eligible children remain unserved.

Additionally, increased CCDBG funding could help Nevada invest in the workforce. Currently, the average starting wage for a child care teacher is $10.90 per hour, and only 18 percent of licensed providers are receiving health insurance benefits. In fact, many child care teachers even qualify for the child care subsidy themselves.

Finally, Nevada’s state preschool program is funded below 2001 levels and ranked 42nd in state spending per child. In 2014, Nevada received a 4-year federal grant to expand the number of children participating in high-quality preschool programs. Along with legislative action, the program requires an increase in preschool funding by more than $14 million annually.

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.