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.

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

In FY2018 and FY2019, New Jersey received historic increases of about $38.7 million annually in Child Care and Development Block Grant (CCDBG) discretionary funding. These funds have helped New Jersey to increase subsidy rates, provide support to providers to comply with CCDBG health and safety requirements, and offer incentives to expand the supply and increase the quality of child care available for infants and toddlers. Nevertheless, funding has been insufficient to raise child care subsidy rates in a manner high enough to reflect market rate prices and fully support the costs of operating high-quality programs.

About 939,270 children under age 13 in New Jersey have working parents, of which about 402,270 of these children are under the age of 6. About 44,400 children received a child care subsidy in FY2017, which is a tiny fraction of eligible children. Today, the cost of child care a struggle for many families. Therefore, it’s critical that CCDBG funding be increased so that the gap between those families who are eligible for child care assistance and those families who are fortunate enough to receive it is closed. A $5 billion increase would likely more than double the number of children in low income families served and also offer an opportunity for New Jersey to further increase subsidy rates to better support the higher costs associated with operating a high-quality program.

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.