CHILD CARE AND DEVELOPMENT BLOCK GRANT

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 NORTH CAROLINA

In FY2018, North Carolina received a historic $74.3 million increase in CCDBG funding. State policymakers used these additional funds to expand services to eligible families on the child care waitlist. They also increased child care subsidy reimbursement rates for young children in three-, four- and five-star child care programs to the 100th percentile of the 2015 market rate in Tier 1 and 2 counties and the 75th percentile in Tier 3 counties. And based on preliminary budgets by the North Carolina House and Senate, advocates expect there to be more funding for subsidies this legislative session.

Subsidy reimbursement rates are crucial for helping providers cover the costs of caring for children using the subsidy. Increasing the rate encourages providers to accept more children on the subsidy, thus expanding access to quality programs for families with low incomes.

Despite the large step forward, there are still nearly 30,000 eligible families on the child care subsidy waitlist in North Carolina, and only 18 percent of all families that qualify for child care services actually receive them due to a lack of funding. North Carolina would need an additional $31.5 million to serve approximately 6,000 more children for FY2020.

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.