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 SOUTH CAROLINA

In FY2018, South Carolina received a historic $40 million increase in CCDBG funding. These funds will help expand access to child care for working families. However, there are over 225,000 children under the age of 6 with all parents in the labor force. The $40 million increase works out to less than $180 per child in potential need of child care. With the annual cost of care of center-based care over $6,800, it is clear that a more robust CCDBG investment is necessary to expand access to quality child care.

For many South Carolina families, the subsidy is the only way to afford child care. For example, without the subsidy, the average single parent would need to pay 31.7 percent of their income for center-based care for an infant. In addition, married parents of 2 children living at the poverty line would need 51.6 percent of their household income for center-based child care. Without expanding the subsidy, child care remains out of reach for most South Carolina families.

The current income limit for subsidy reimbursement is just 150 percent of the federal poverty level. This means that a single parent making over $25,000, or a couple making over $32,000, would not qualify for assistance. With the cost of infant care in South Carolina almost half the cost of college tuition at a four-year college, many of these families could not afford the cost of child care and consequently remain locked out of the system.

Finally, increasing CCDBG funding is necessary in order to expand the supply of child care. Increasing supply starts with the recruiting and retention of quality child care providers and early educators. Unfortunately, the annual income of child care workers in South Carolina is just $20,370—well below the national average. In fact, many child care providers qualify for the subsidy themselves and often lack access to benefits. Utilizing CCDBG funding to provide resources for wage increases in the child care field would result in an increase of supply.

HOW CONGRESS CAN HELP IN 2019

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.

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.