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 TENNESSEE

In FY2018, Tennessee received a historic $52 million increase in discretionary CCDBG funding. This funding enabled Tennessee to increase weekly reimbursement rates for child care providers participating in the state’s Child Care Certificate Program for the first time since 2008. The rates will increase 35 percent for infant and toddler care and 20 percent for preschool and school-age care. Increasing rates will help expand access to quality child care in the state and catch up on meeting CCDBG requirements for providers such as background checks.

Despite this step forward, a lot of work remains to be done in Tennessee. As of 2018, there were 296,284 children under the age of 6 with all parents in the workforce. This means the historic increase works out to just $175 per child in potential need of care. With the cost of infant care exceeding $8,500 in a center and $6,000 in a home, more CCDBG funding is necessary in order to expand child care access for working families in Tennessee. Without subsidy, many of these families cannot afford the cost of care.

Finally, there is a need to increase the supply of child care in Tennessee, particularly in rural areas. Currently, the child care field experiences high rates of turnover, with many providers closing their doors permanently. A primary cause is that child care workers are historically paid low wages, with the average annual income of a child care worker in Tennessee making just $20,670, which is below the national average. In fact, many full-time child care workers lack benefits and even qualify for the subsidy themselves. Increasing CCDBG funding can help address this wage crisis and allow Tennessee to recruit and retain qualified early educators and child care providers.

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.