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 TEXAS

In FY2018, Texas received a historic $230 million increase in CCDBG funds. With this increase, Texas will serve an estimated 28,000 children who were on the waiting list for child care assistance. The state also increased its base payment rates for providers by 2 percent and added higher percentage increases for each star level of the state’s quality and rating system (QRIS), with the rate for providers at the four-star level of QRIS increased to the recommended 75th percentile. The state was able to use additional funding to expand public-private partnership initiatives between public Pre-K and QRIS child care programs, provide support to providers affected by Hurricane Harvey, expand infant and toddler programs, provide Shared Services business supports, invest in QRIS mentors and assessors, make data system enhancements, and invest in professional development resources.

While these are steps forward, a lot of work remains to be done in Texas. As of 2019, there are still 16,000 families on the waitlist for child care assistance. Moreover, Texas is currently only serving an estimated 10% of all eligible children. With the cost of infant care at over $9,000 in a center and nearly $7,000 for a home, more CCDBG funding is necessary in order to expand child care access for these working families in Texas. Without expanding access, many of these families cannot afford the high cost of care.

Finally, there is a need to increase the supply of quality child care in Texas, particularly in rural areas. However, qualified child care workers are historically paid low wages. The average annual income of a child care worker in Texas making just $21,570, which below the national average. In fact, many full-time child care workers lack benefits and even qualify for the subsidy themselves. Coupled with a lack of career opportunities, this causes a high rate of turnover in the field, with many providers closing their doors permanently. Increasing CCDBG funding can help address this wage crisis and create new professional development pathways such as an apprenticeship model, which would allow Texas 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.