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 VERMONT

In FY2018, Vermont received a historic $2.8 million increase in CCDBG discretionary funds. This funding enabled Vermont to increase payment rates for infant and toddler care and invest in its tiered payment rates for higher quality care. With initiatives like this, 67 percent of children on subsidy are now in 3, 4 or 5-star quality programs. The funding was also used to hire three new child care licensors in the Department of Children and Families.

Vermont's focus is on equal access for families to regulated child care programs, especially high quality programs. These programs are often more expensive and low income working families struggle to afford child care and the co-payments even when they do qualify for subsidy. Even with the FY18 investments in infant/toddler rates, Vermont's current full time subsidy rate for a center at one star is at the 15.42 percentile of the 2017 Market Rate Survey. In July 2019, the rate will rise due to state investments, but only to the 18.92 percentile of the 2017 Market Rate. In 2019 the state will be conducting another Market Rate Survey and it is anticipated that all market rates will have increased. This impacts the access and affordability for low income working families. Any additional CCDBG funds would be dedicated to increasing the subsidy rates to increase access for low-income working families.

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.