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 VIRGINIA

In FY2018 and 2019, Virginia received historic increases of about $42.5 million annually in CCDBG discretionary funding. These funds have helped Virginia to increase subsidy rates, provide support to providers to comply with CCDBG health and safety requirements, and cover the cost of background checks to ensure those with a violent criminal history or individuals who are on the child abuse registry are not working in child care settings. The increase in funding has also led to increased support for quality-related activities to ensure that families have access to high-quality care.

Despite the increased funding, the number of children in Virginia receiving subsidies over the last few years has declined. Some of that decline is related to a shift in state policy from using taxpayer dollars to support children in unlicensed care, where the safety of children is unknown, to this year, where the larger majority of children with subsidies are in some type of regulated care. The safety of children matters as well as accountability for the use of public dollars.

About 889,285 children under age 13 in Virginia have working parents (395,285 are under age 6). About 18,366 children received child care subsidies in FY18. It’s difficult to determine the exact number of children who are eligible since it is set by the state at 150 percent, 160 percent, 185 percent, and 250 percent of the federal poverty line, based on the locality in which a family resides. However, a $5 billion increase in CCDBG funding would likely more than double the number of children in low income families being served.

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.