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.

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WHY CCDBG MATTERS IN WISCONSIN

In FY2018, Wisconsin received a historic $32 million increase in CCDBG funds. With this increase, Wisconsin was able to increase payment rates for children birth to three by 5 percent, and increase rates for infant care in all counties to at least $5 per hour. Coupled with TANF funding, the state was also able to increase maximum rates for all age groups by 5 percent, with 4- and 5-star providers receiving 11 percent and 27 percent increases, respectively. Raising these rates is crucial since it helps providers cover the costs for families utilizing the subsidy.

However, with over 293,000 children under that age of 6 with all parents in the workforce, the historic increase works out to just $109 per child in potential need of care. More CCDBG funding could expand access for families who are unable to access child care assistance. Currently, the threshold for qualifying for subsidy is 185 percent of federal poverty level. This means that single parents making $32,000 per year, or couples making $40,000 per year, do not qualify. But with the cost of infant care exceeding $12,000 in a center and $9,000 in a home, many families cannot afford quality care and remain locked out of the system. Increasing CCDBG funding could increase eligibility rates, giving more working families access to care.

Finally, child care providers in Wisconsin need assistance to meet the new CCDBG requirements, including background checks. An increase in CCDBG funding would help provide the technical support and resources necessary to ensure that all providers are in compliance with the updated law.

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.