



Steps Forward: How states are using new CCDBG funds

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1.

What did you
want to
understand
about the
CCDBG ?



What we wanted to learn

- The impact the new dollars could have in supporting increased access to high quality care for children.
- What the opportunities were for using the dollars, and how states would prioritize needs.
- The types of supports most useful to state policy makers in getting the dollars out the door.
- How the dollars could be used to address inequities in state child care systems.

Stateofchildcare.org



National Association for the
Education of Young Children



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First Five Years Fund

Center for American Progress



The State of Child Care in America

About

Affordable, quality child care is out of reach for far too many working families. The Child Care and Development Block Grant (CCDBG) provides funds to defray the cost of child care for many families, but the program needs more resources to reach more families and fund quality child care with livable wages for early educators.

When families receive help paying for child care, their wages increase, more mothers enter the labor force, and the U.S. economy grows. This national partnership advocates for an increase in the Child Care and Development Block Grant so that U.S. families, workers, and the economy can work.

GOT A QUESTION?

[Ask an Expert](#)

There are zero states in the United States able to provide child care assistance to the majority of families who need it.

What we wanted to understand

- Identify how states are using the new funds.
- Demonstrate how the new funds are making a difference for children, families, and child care providers.
- Highlight innovative activities supported by the new funds.
- Indicate what is *not* a priority for the use of the new funds.
- Emphasize remaining gaps in child care assistance programs.
- Encourage states to use the funds and use them effectively.



CCDBG National Study Primary Research Questions

In May 2019, Child Trends launched a national survey to learn:

1. How states planned to allocate the 2018 increase in CCDBG funding ?
2. Whether states planned to use increased funding to implement 2014 CCDBG reauthorization requirements. If so, which requirements?
3. What remaining challenges states face in implementing the 2014 CCDBG reauthorization requirements?

2.

What were the key findings or innovative strategies you learned from your conversations with stakeholders in states?



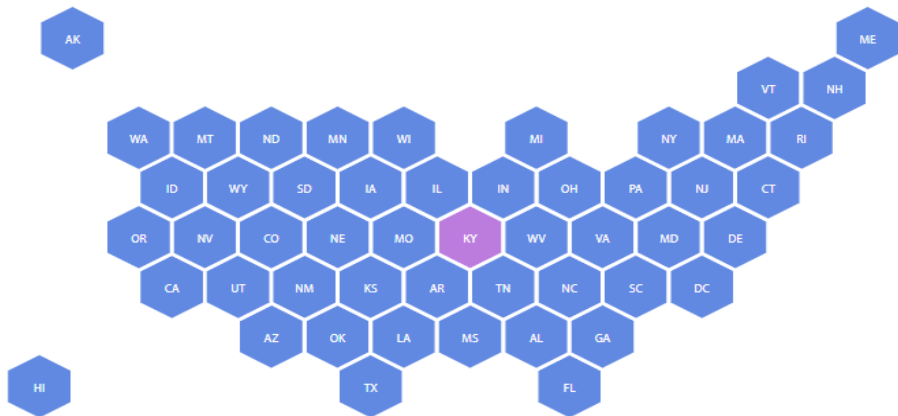
What we learned

- For many states, the funds had enormous positive impacts – but they weren't enough to meet all the needs.
- State policymakers had concerns about sustainability.
- While states knew their needs, they sometimes had gaps in their understanding, particularly in terms of input from families and providers.
- State appropriations processes were sometimes a barrier.
- Policy makers benefit from talking to each other and sharing strategies.
- Other influencing factors have helped – e.g. Corrective Action Plans, PDGB5, funding initiatives...

The need for Child Care funding

In 2018, Congress approved an historic increase of nearly \$5 billion over 2 years for the CCDBG, allowing states to help meet the needs of low-income families across the nation. Still, when adjusted for inflation, child care funding remains below 2001 levels. Child care costs can exceed college tuition in many states, and yet, less than 17 percent of eligible U.S. families who need assistance to meet child care costs are able to get it. Check out the map below to learn more:

Kentucky



Percentage of eligible low-income children being served

6.0%

How the state will use funds

More than 120 child care providers in Kentucky were able to increase access to child care or foster parents and to boost eligibility.

Percentage of children under 6 with all available parents in the workforce

64.8%

- State data map
- CCDBG explainer videos
- Ask an expert
- Relevant News
- Consolidated Resources

Key findings and innovative strategies

States prioritized increasing provider payment rates, reducing waiting lists, and meeting requirements of the CCDBG reauthorization law. Between February 2018 and February 2019:

- 29 states increased provider payment rates, with an average increase of over \$100 per month per child.
- The number of children on waiting lists for child care assistance decreased by over 132,000 (55%).

States placed less emphasis on other child care assistance policies, such as income eligibility limits.

- Only 3 states increased their income limits by a dollar amount that exceeded inflation.

Despite the infusion of new funding, significant gaps remain. In February 2019:

- A family with an income above 150% of poverty (\$31,995 a year for a family of three) could not qualify for child care assistance in 13 states.
- 15 states still had waiting lists or frozen intake for child care assistance.
- Only 4 states set provider payment rates at federally recommended levels.



What we learned from the CCDBG National Study



> 50% of states anticipate serving more children as a result of new funding.



Increasing payment rates for child care subsidies is a priority for most states.



Implementing comprehensive background check requirements remains a challenge for many states.



Reducing parent co-payments is a future priority in several states.



> 50% of states plan to use the new funds to increase PD & the availability of quality care for infants and toddlers.



Additional funding is still needed in some states to implement CCDBG reauthorization requirements.

3.

How can the audience access information about state advances in CCDBG activities?



Resources available at

<https://www.clasp.org/tags/child-care-and-development-block-grant-ccdbg>

Reports



From Opportunity to Change:
State Experiences Implementing CCDBG

CLASP
Policy solutions that work for low-income people

Christine Johnson-Staub & Shiva Sethi
January 2019

Fact sheets



Fact Sheet
Stephanie Schmit
October 2019

**House would fund child care for 300,000 more children –
Senate proposes to cut 40,000 instead**

Thanks to fiscal year (FY) 2018's historic \$2.4 billion increase for the Child Care and Development Block Grant (CCDBG) states are making significant advances in meeting families' child care needs, increasing family economic security and child wellbeing. FY 2019's budget included an additional \$50 million. But despite these initial investments, CCDBG is still serving only a small fraction of eligible children, and Latinx and Asian American families are especially likely to be underserved.¹

In August, Congress passed a two-year budget deal for FY 2020 and 2021. The deal raises spending caps

Blogs



SHARE



CHILD CARE SUBSIDIES

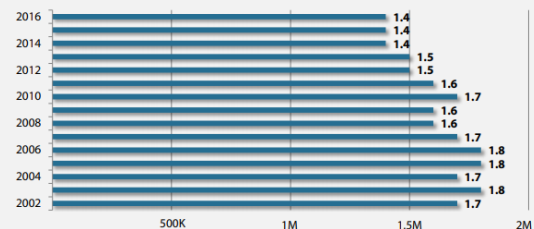
Child Care and Early
Education
Children, Youth & Families
Federal Taxpayers' Priorities

**Child Care Funding to States Could Increase
After Budget Deal**

Today, the U.S. Senate passed a two-year budget bill, already approved by the House, for fiscal years 2020 and 2021. The budget deal raises funding caps, a crucial first step that allows increased spending on discretionary programs like the Child Care and Development Block Grant (CCDBG), Head Start, and WIC.

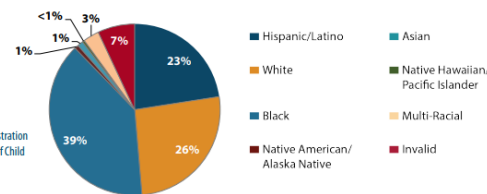
Data

re 2. Average monthly number of children served (in millions) in CCDBG, 2002-2016



: Administration for Children and Families, Office of Child Care administrative data, 2002-2016

Figure 3. Children served in CCDBG by race and ethnicity, FY 2016



ce: CLASP analysis of Administration for Children and Families, Office of Child administrative data, 2016

Inequitable Access to Child Care Subsidies



Jump to a specific section:

What is CCDBG?	Why it Matters	About This Report	Find Your State	CCDBG Resources
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Alabama

CCDBG Update:

In FY18, Alabama received a historic \$40.7 million increase in CCDBG discretionary funding. This new funding enabled the state to increase base payments to child care providers serving families receiving assistance, increase access to training for child care providers, and build upon the state's quality rating and improvement system.

The increase in CCDBG funding also enabled the Alabama Department of Human Resources to virtually eliminate the waitlist for child care subsidies. Previously, Alabama parents had to wait three years or more to get help paying for child care. Now, it takes just a few weeks for families to be approved for subsidy.

While this is great news, it highlights the importance of sustaining CCDBG funding to avoid taking away child care from these working families. In addition, more CCDBG funding could help expand access to families just above the qualifying threshold. Currently, Alabama families must be at 130 percent or less of the federal poverty level to qualify. But with the average cost of infant care ranging from \$5,000 to \$6,000 per year in Alabama, even families well above the threshold struggle to afford quality care. An increase in CCDBG funding could allow Alabama to increase the subsidy eligibility rate, enabling these families to access care as well. Finally, with the passage of the Alabama Child Care Safety Act last year, efforts are still underway to ensure all child care facilities that receive state and federal funds are licensed by August 1, 2019. These efforts will require additional health and safety training for faith-based providers, as well as an expansion of the state's licensing and monitoring system. More CCDBG funding would help sustain these efforts and ensure more of Alabama's children are in safe, quality environments.

- Population
4.8 million
- Children Under 6 with All Parents in the Workforce
218,846
- FY18 CCDBG Discretionary Increase
+\$40.7 million
- What a \$5 billion increase would add
+\$85.8 million

[Download One Pager](#)

Thank you to our partners!
Alabama Office of Child Care Subsidy

CHILD CARE AND DEVELOPMENT BLOCK GRANT

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.

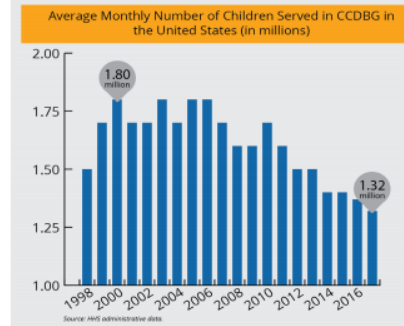
Congress reauthorized CCDBG in 2014 with overwhelming bipartisan support. The CCDBG Act of 2014 improved child care health and safety standards and provided funding to help make quality child care available to more families with low incomes. The 2014 law also mandated that states meet new requirements 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.



Fewer than 1 out of 6 children eligible for CCDF are being served



Information and resources

Early Progress: State Child Care Assistance Policies 2019

<https://nwlc.org/resources/early-progress-state-child-care-assistance-policies-2019/>

States Use New Child Care and Development Block Grant Funds to Help Children and Families

<https://nwlc.org/resources/states-use-new-child-care-development-block-grant-funds-help-children-families/>

REPORTS & TOOLKITS

Download Early Progress: State Child Care Assistance Policies 2019 PDF

Jump to Map

Early Progress: State Child Care Assistance Policies 2019

Child care is crucial for the well-being of parents, children, and our nation. It enables parents to work and support their families. It gives children a safe, nurturing, and in life nation's e with the t parents tr children, or prevent parents from working bec to address these challenges by helping fami

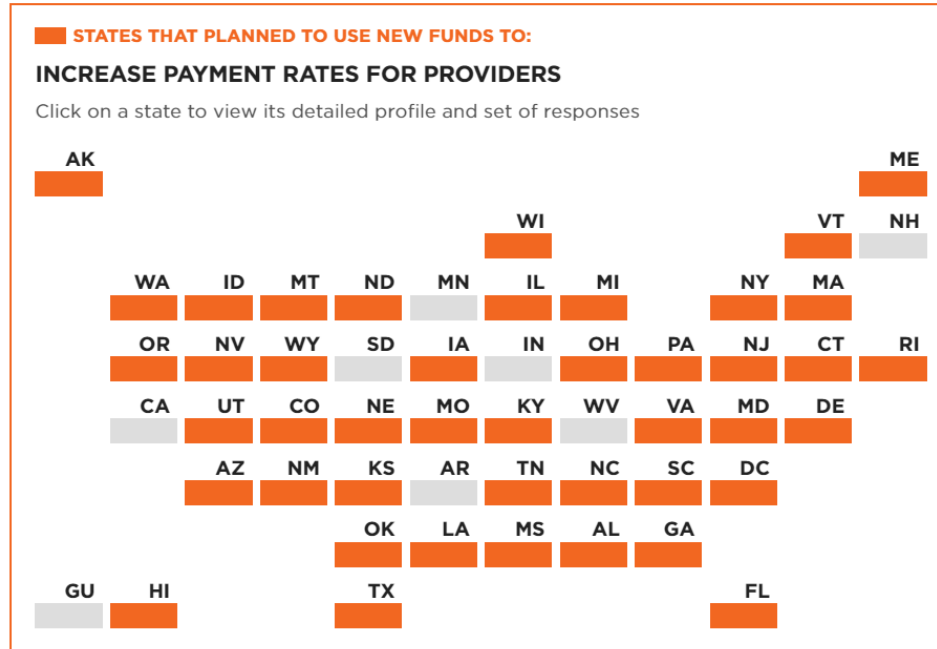
NATIONAL WOMEN'S LAW CENTER
Justice for Her. Justice for All.

SEPTEMBER 2019 | FACT SHEET

STATES USE NEW CHILD CARE AND DEVELOPMENT BLOCK GRANT FUNDS TO HELP CHILDREN AND FAMILIES: UPDATE

Congress approved a \$2.37 billion increase in funding for the Child Care and Development Block Grant (CCDBG), the major federal child care program, in March 2018. This was a historic increase for CCDBG, a program that provides funds to states to assist low-income families in affording child care, to help ensure the health and safety of child care, and to invest in improving the quality of care. The increase brought total funding for CCDBG in FY 2018 to

CCDBG National Study Interactive Website



43 STATES + DC

Used, or plan to use, additional CCDBG funds to increase payment rates for providers.



<https://www.childtrends.org/publications/states-use-of-the-child-care-and-development-block-grant-funding-increase>

CCDBG National Study Interactive Website



The Impact of Increased
Federal Child Care Funding
Alaska



Why the Child Care and Development Block Grant (CCDBG) Matters

The federal Child Care and Development Block Grant (CCDBG) helps low-income families afford child care, and supports efforts to improve the quality and supply of care. CCDBG lacks the funds necessary to serve all eligible children and families. In FY 2015, the U.S. Department of Health and Human Services estimated only 15 percent of 13.6 million children eligible for subsidies were served.¹

In 2014, Congress reauthorized CCDBG, setting new standards around eligibility, child care quality, health and safety, access to child care, and workforce support. Due to insufficient funds, states struggled to implement the 2014 rules and serve all eligible children. In 2018, Congress responded to these challenges by appropriating a \$2.4 billion increase nationally to CCDBG—the largest ever single-year increase in this funding. This profile highlights how Alaska plans to use the increased funds.²

Alaska CCDBG Federal Funding Allocation³

Fiscal Years 2010-2018 (\$ millions)



<https://www.childtrends.org/publications/states-use-of-the-child-care-and-development-block-grant-funding-increase>

Other CCDBG Resources

<https://www.hispanicresearchcenter.org/research-resources/how-states-with-large-hispanic-populations-are-using-or-plan-to-use-additional-federal-funding-for-child-care/>

Ways that 13 States with a High Population of Low-Income Hispanic Children Reported Spending Additional CCDF Funds

	<u>AZ</u>	<u>CA</u>	<u>CO</u>	<u>FL</u>	<u>GA</u>	<u>IL</u>	<u>NJ</u>	<u>NM</u>	<u>NY</u>	<u>NC</u>	<u>PA</u>	<u>TX</u>	<u>WA</u>
Increase provider payment rates	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Invest in professional development activities for the child care workforce		✓	✓	✓	✓	✓	✓			✓	✓	✓	
Invest in infant and toddler care				✓	✓	✓	✓		✓		✓	✓	✓
Serve additional children	✓	✓		✓		✓			✓	✓		✓	
Implement CCDBG reauthorization requirements	✓	✓*	✓		✓	✓		✓	✓		✓		
– Implement background checks for all subsidized providers	✓			N/A	✓		N/A		✓	N/A	✓	N/A	N/A
– Reduce parental co-payments			✓	N/A	✓	✓	N/A	✓		N/A		N/A	N/A
Invest in home-based care			✓	✓		✓	✓					✓	
Expand income eligibility limits			✓			✓	✓	**					

*CA reported using the additional funds for other reauthorization requirements not listed here.

**NM did not respond.

N/A: Not applicable (i.e., state not did indicate spending additional funds on any reauthorization requirements).

Questions?

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Thank you!

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