

SUPPORT THE CHILD CARE AND DEVELOPMENT FUND (CCDF)

ACTION NEEDED:

Urge your members of Congress to increase resources under the mandatory and discretionary titles Child Care and Development Fund (CCDF) program.

BACKGROUND:

The U.S. Department of Health and Human Services (HHS) Administration for Children and Families (ACF) administers CCDF, the federal government's funding source for child care subsidies to help eligible low-income families access child care and improve the quality of child care for all children. Last reauthorized in 2014, CCDF is comprised of both a mandatory component (not subject to the annual appropriations process), the Child Care Entitlement to States (CCES), and a discretionary portion, the Child Care and Development Block Grant (CCDBG), which Congress must fund every fiscal year. In FY 2022, CCDBG received \$6.2 billion and CCES received \$3.5 billion for a total of \$9.7 billion in CCDF funding.

Subsidized child care services under CCDF are available to eligible families through certificates (vouchers) or grants and contracts with providers. States have discretion to set income eligibility at or below 85 percent of State Median Income (SMI), setting the maximum age for children at or below 12 years, or at or below 18 years if children have special needs and defining the activities that qualify a family for assistance (work, education, etc.) County governments are responsible for administering CCDF in at least eight states, according to the most recent available state plans: Colorado, Minnesota, North Carolina, North Dakota, New York, Ohio, Virginia and Wisconsin. In FY 2018, these eight states together invested more than \$2 billion in federal, state and local funds in the CCDF program, accounting for more than a fifth of the national total. The scope of the county role in administering CCDF varies but means that county governments in these states may set policy related to eligibility, sliding fee scales, and payment rates as well as perform eligibility determinations, issue provider payments,

CCDF ENCOURAGES WORK AND POSITIVE CHILDHOOD DEVELOPMENT BY HELPING LOW-INCOME FAMILIES AFFORD **CHILD CARE SERVICES**

EIGHT STATES REPRESENTING **20 PERCENT** OF PARTICIPATING CHILDREN DELEGATE CCDF ADMINISTRATION TO COUNTIES

IN 2018, **51 PERCENT** OF AMERICANS LIVED IN NEIGHBORHOODS THAT QUALIFIED AS **CHILD CARE DESERTS**

CCDF REACHED ONLY **14 PERCENT** OF ELIGIBLE CHILDREN IN 2018

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connect parents with child care and more. Counties administering CCDF may contribute county general revenue funds to help meet the required non-federal match for the CCES.

Ensuring low-income families have access to affordable, high-quality child-care helps promote their participation in the workforce and/or education, while also encouraging positive child development. However, limited program resources, strict eligibility rules, infrastructure needs and expensive quality standards can challenge the ability of counties to meet the needs of local parents. In 2018, only 14 percent of eligible children participated in CCDF. Providing county governments with increased flexibility to determine program eligibility, adequate federal resources to meet demand and additional funding to meet licensing and quality standards would significantly improve the abilities of counties to increase the supply of high-quality and affordable child care for local families through CCDF.

In March, 2022, Senate Republicans introduced The Child Care and Development Block Grant Reauthorization Act of 2022, which would make changes to increase eligibility for CCDBG, increase reimbursement rates for child care providers and cap co-pay costs for certain low-income households. However, the bill provides no new funding for these provisions, making it unlikely to garner bipartisan support. Senate Democrats, meanwhile, released a framework in May, 2022 to expand access to affordable child care that would triple the amount of funding for CCDBG to increase supply and quality and cap family co-pay costs, along with making investments in affordable preschool. The framework would invest between \$150 and \$200 billion over 6 years, but has yet to be introduced via formal legislation.

COVID-19 RESPONSE:

Since the onset of the pandemic, Congress has sought to stabilize the child care industry with an influx of emergency CCDBG funding, including \$3.5 billion passed under the Coronavirus Aid, Relief, and Economic Security Act in March 2020 and an additional \$10 billion in the Consolidated Appropriations Act of 2021 in December 2020. Most recently, the American Rescue Act (ARPA) of 2021 provided an additional \$39 billion to CCDBG, \$15 billion of which will be distributed according to the regular formula with the remaining \$24 billion going to states to make subgrants directly to child care providers. ARPA also permanently increased CCES's annual appropriation by \$600 million.

KEY TALKING POINTS:

- The Child Care and Development Fund (CCDF) is the federal government's funding source for child care subsidies to help eligible low-income families access child care and improve the quality of child care for all children.
- Eight states delegate CCDF funding and administration to county governments: Colorado, Minnesota, North Carolina, North Dakota, New York, Ohio, Virginia and Wisconsin.
- Access to high-quality, affordable child care is critical for promoting positive child development as well as encouraging workforce participation and access to education for low-income parents.
- Limited program resources, strict eligibility rules and expensive quality standards can challenge the ability of counties to meet the needs of local parents through CCDF.



- Counties urge Congress to provide increased funding for both the mandatory and discretionary titles within CCDF to help us meet quality standards, invest in child care infrastructure, boost supply and serve eligible families.
- Congress should provide counties with increased authority to set income eligibility, establish sliding fee scales and determine other eligibility factors related to work and education to best meet the needs of local families.

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