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## **Five Reasons Why the Senate Should Adopt the Snowe-Dodd Amendment to Increase Child Care Funding**

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When welfare reauthorization is debated on the Senate floor this week, Senators Olympia Snowe (R-ME) and Christopher Dodd (D-CT) will offer a bipartisan amendment to provide \$6 billion over five years in additional child care funding. Here are five reasons to support the Snowe-Dodd Amendment:

- **Child care assistance helps families work and leave welfare.** The expansion of child care assistance in the 1990s played an important role in the decline in welfare caseloads and in the increase in single-parent employment. Research confirms that the availability of child care subsidies leads to more work, higher earnings, and a greater likelihood of remaining off welfare. One study found that single mothers with young children who receive child care assistance are 40 percent more likely to still be employed after two years than those who do not receive such assistance. This trend is even more striking among former welfare recipients—those who receive child care assistance are 82 percent more likely to be employed after two years.
- **Child care assistance can help parents pay for care that promotes healthy educational and social development for children.** Research shows the important role that quality child care can play in healthy child development. Since 1996, states have invested their Child Care and Development Block Grant (CCDBG) funds in initiatives designed to promote quality, including increasing provider payment rates, training and educating child care teachers, and increasing their compensation.
- **States are currently cutting child care assistance due to lack of federal funds.** Over the last several years, federal funding for child care has been essentially flat. At the same time, Temporary Assistance for Needy Families (TANF) reserves—a major source of funding for child care—have diminished or been exhausted in many states. As a result, many states have cut back their child care programs. A recent General Accounting Office (GAO) study found that 23 states have made policy changes that reduced the availability of child care subsidies for low-income working families; the burden of these cuts has been largely born by families not receiving TANF cash assistance. In about half the states, low-income families who are eligible for and need child care assistance are either not allowed to apply for assistance or are placed on a waiting list.

- **Without a significant increase in child care funding, hundreds of thousands of children will lose child care assistance—even as waiting lists remain long.** If child care funding remains flat, hundreds of thousands of children are projected to lose child care assistance over the next five years, which could cause many parents to lose their jobs because they do not have a safe place for their children while they work. In addition, thousands of families will continue to languish on child care waiting lists.
- **States need resources to meet the new TANF work requirements without having to reduce current levels of services to families.** States will need between \$5 billion and \$6 billion over five years just to maintain their FY 2004 level of services *even without increased work requirements*. The Snowe-Dodd amendment (along with the underlying Senate Finance bill's proposed child care increase) would help states meet the costs of work without having to cut off currently served children.