

CLASP

CENTER FOR LAW AND SOCIAL POLICY

Child Care and Development Block Grant Participation in 2006

By Hannah Matthews

Updated August 8, 2008

This month, the Child Care Bureau released final federal fiscal year 2006 administrative data for the Child Care and Development Block Grant (CCDBG).¹ This fact sheet provides a snapshot of the CCDBG program participation in 2006, noting the great variability in child care assistance programs among states. More information, including individual state data, is available on the Child Care Bureau Web site. In 2006, states received an additional \$200 million in CCDBG mandatory funding. States were required to obligate, or legally commit, these funds in 2006 but mandatory funds have no deadline for liquidation and may be spent over several years. Information on state child care spending in 2006 are not yet available from the Child Care Bureau.

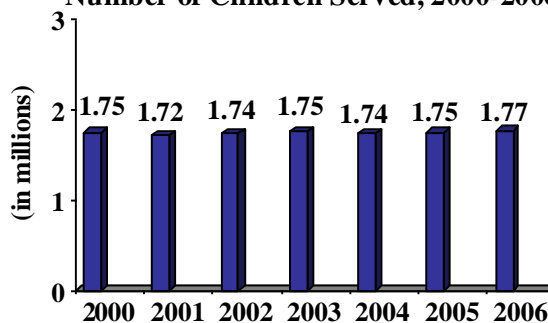
Participation is one of several significant variations among state child care programs. This is due in part to states' different policy choices in the provision of assistance. Policymakers and advocates are encouraged to obtain the most recent information about their state—including data on participation, expenditures, income eligibility criteria, and provider reimbursement rates—to evaluate the full range of child care assistance policies.

A snapshot of CCDBG participation in 2006:

The number of children receiving CCDBG assistance increased slightly in 2006.

CCDBG served a monthly average of 1.8 million children in 2006, an increase of 24,000 children from 2005.² Overall, the number of children served by CCDBG has remained relatively flat since 2000 (see Figure 1). State data on children served vary. While 29 states increased the number of children served, 22 states served fewer children in 2006 than in 2005.³

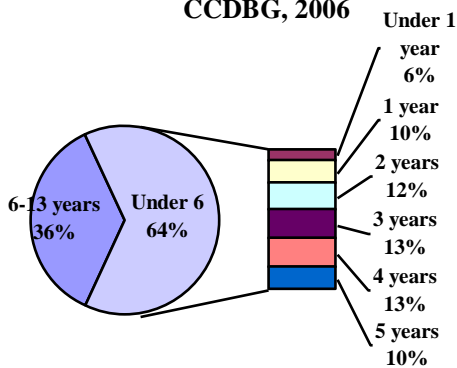
Figure 1. CCDBG Average Monthly Number of Children Served, 2000-2006



Source: Child Care Bureau

Note: The data in this fact sheet are based on children who received CCDBG-funded child care assistance in 2006. Participation data on children who received assistance through other sources of funding, including the Temporary Assistance to Needy Families (TANF) block grant, are not available.

Figure 2. Ages of Children Served in CCDBG, 2006



For example, North Carolina served 24,400 *fewer* children in 2006, while California served 34,800 *more* children.

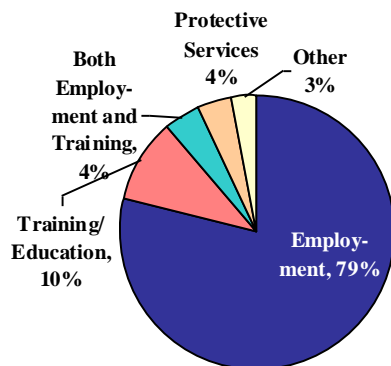
All families that qualify for child care assistance cannot access subsidies. According to research from the National Women’s Law Center, as of early 2007, 17 states had waiting lists, or had frozen intake for child care assistance. Waiting lists were as high as 207,000 children in California and 44,898 children in Florida.⁴

CCDBG serves children from birth to age 13. Fewer than a third of children served in 2006 were under age 3,⁵ while the 3-5 and 6-13 age groups each comprised more than one-third of children served (see Figure 2). This breakdown has been fairly consistent over time.

CCDBG serves children from different backgrounds. African-American and White children each comprised 44 percent of children served in CCDBG in 2006. Native American or Alaskan Native, Asian, and Native Hawaiian or Pacific children each comprised 1 percent of children served. Two percent of children served were multi-racial; a race was not reported for 7 percent of children. Nineteen percent of children served were Latino (regardless of race). Information on the languages spoken or country of origin of children or families served in CCDBG is not available.⁶

More than half of children are in center-based care. CCDBG allows families to select the child care provider of their choice. In 2006, 57 percent of children were served in center-based care, 29 percent in family child care homes, 7 percent in their own homes, and 5 percent in group homes. Seventy-three percent were served in licensed or regulated care. Among children served in legally operating, non-regulated settings, 58 percent were in relative care.

Figure 3. Percentages of Families by Reason for Receiving CCDBG Assistance, 2006



Vouchers are the most common type of payment for care. In 2006, 85 percent of children received CCDBG assistance through vouchers or certificates. Eleven percent of children were served through grants or contracts, and 4 percent were served through cash payments. Contracts, which are formal agreements between a state and a provider to serve a set number of children, can be a way to guarantee that families can successfully find the care they need—particularly in communities without an adequate supply of child

care.⁷ While most states do not use contracts, Arkansas, California, Connecticut, Florida, Hawaii, and Massachusetts serve 30 percent or more of children through contracts.

Most families receiving CCDBG are working, low-income, and providing co-payments. The vast majority of families receive CCDBG assistance because they are working; 93 percent are working and/or in education or training programs (see Figure 3).

Though most families work, they are very low-income. In 2005, the median monthly income of families receiving CCDBG-funded assistance was \$1,283 or \$15,396 when annualized and nearly half (49 percent) of families had incomes below the federal poverty level.⁸ In 2006, 18 percent of CCDBG families received TANF assistance. Sixty-three percent of CCDBG families paid co-payments for care. The mean co-payment amount was 6 percent of family income.

¹ U.S. Department of Health and Human Services, Child Care Bureau, *FFY 2006 CCDF Data Tables (Final)*, http://www.acf.hhs.gov/programs/ccb/data/ccdf_data/06acf800/list.htm.

² An estimated 2.3 million children received child care assistance from all sources—including CCDBG, TANF, and SSBG—in 2006. Table 25-5: Beneficiary Projections for Major Benefit Programs in Analytic Perspectives of the Budget of the United States Government, Fiscal Year 2008, <http://www.gpoaccess.gov/usbudget/fy08/pdf/spec.pdf>.

³ We include the District of Columbia as a state in this analysis.

⁴ Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2007: Some Steps Forward, More Progress Needed*, National Women's Law Center, 2007, <http://www.nwlc.org/pdf/StateChildCareAssistancePoliciesReport07Web.pdf>.

⁵ For more on children under 3 in CCDBG see Hannah Matthews, *Infants and Toddlers in the Child Care and Development Block Grant Program*, Center for Law and Social Policy, 2008, http://www.clasp.org/publications/ccdbg_infants_and_toddlers_snapshot_final.pdf.

⁶ The U.S. Government Accountability Office (GAO) found that 13 states collect some language data from parents whose children receive subsidies, but language information is not available nationally. GAO, *Report to Congressional Requestors, Child Care and Early Childhood Education: More Information Sharing and Program Review by HHS Could Enhance Access for Families with Limited English Proficiency*, 2006, <http://www.gao.gov/new.items/d06807.pdf>.

⁷ Hannah Matthews and Rachel Schumacher, *Ensuring Quality Care for Low-Income Babies: Contracting Directly with Providers to Expand and Improve Infant and Toddler Care*, Center for Law and Social Policy, 2008, http://www.clasp.org/publications/ccee_ensuring_quality_care_contracting.pdf.

⁸ Child Care Bureau, *Child Care and Development Fund Report to Congress for FY 2004 and FY 2005*, 2008, <http://www.acf.hhs.gov/programs/ccb/ccdf/rtc/rtc2004/intro.htm>. Income data for 2006 are not available.