



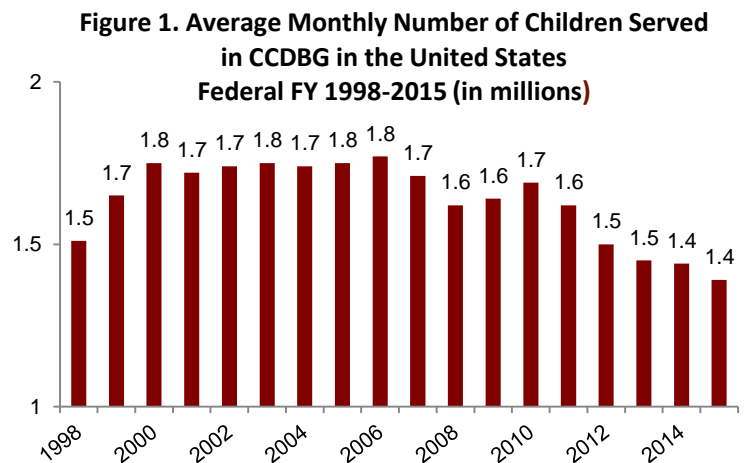
# CCDBG Participation Drops to Historic Low

January 2017 | Christina Walker and Hannah Matthews

Quality child care enables parents to work or go to school while providing young children with the early childhood education experiences needed for healthy development. The Child Care and Development Block Grant (CCDBG) is the primary source of federal funding for child care subsidies for low-income working families. The 2014 bipartisan reauthorization of CCDBG made major changes to the law to increase the overall health, safety, and quality of child care and to improve economic stability for working families. Despite overwhelming support for those goals, Congress has not provided the resources needed to implement the law.<sup>1</sup> Recently released participation data from the U.S. Department of Health and Human Services (HHS) confirm a continued downward trend in children served by CCDBG.

## The number of children receiving child care assistance funded by CCDBG continued its five-year decline to reach an all-time low.<sup>2</sup>

- Fewer than 1.4 million children received CCDBG-funded child care in an average month in 2015; historically, this is the smallest number of children served in the program in 17 years (see Figure 1).
- The number of children receiving CCDBG-funded child care fell by 41,200 children from 2014 to 2015.
- Approximately 373,100 fewer children received CCDBG-funded child care in 2015 than in 2006, representing a 21 percent reduction in the average monthly number of children served over nine years.



Source: HHS administrative data. FY 2015 data are preliminary.

## State-by-state CCDBG participation varies greatly.

- Compared to the previous year, 28 states decreased the number of children served through CCDBG, while 23 states increased the number of children served in 2015. The largest single year-declines in children served were in Illinois, Indiana, Michigan, New York, and Tennessee.<sup>3</sup>
- Eighteen states have reduced their average monthly number of children served by more than a quarter since 2006 (Alaska, California, District of Columbia, Idaho, Illinois, Kansas, Kentucky, Louisiana, Maine,

Michigan, Mississippi, Montana, New Hampshire, North Dakota, South Carolina, Tennessee, Vermont, and Wyoming). Of these states, District of Columbia, Kentucky, Louisiana, and Michigan served 50 percent fewer children since 2006.

- Only seven states report serving more children in 2015 as compared to 2006 (Arkansas, Colorado, Indiana, Missouri, New Jersey, Ohio, and Pennsylvania).

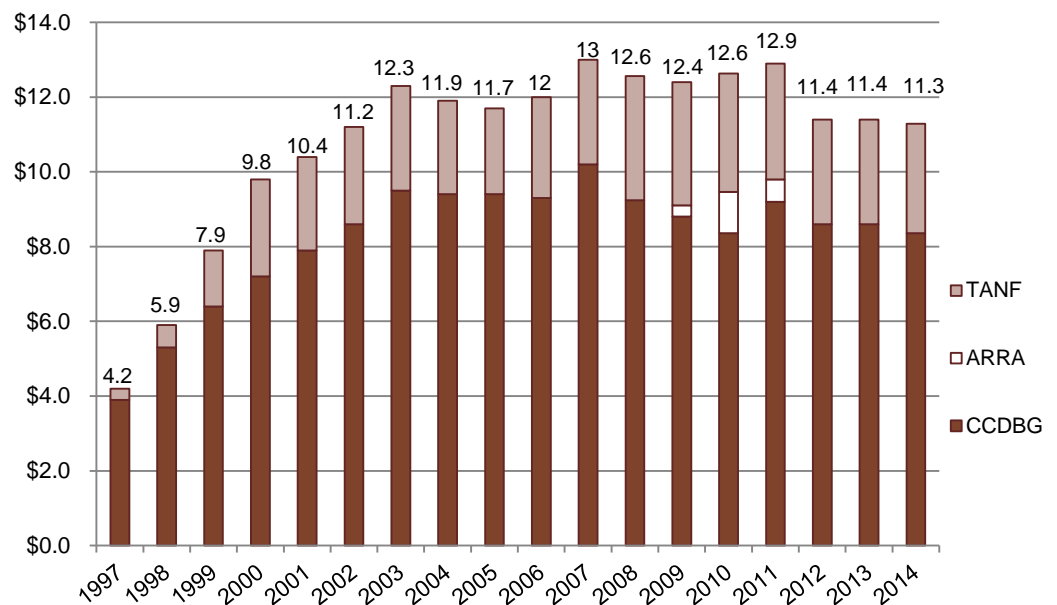
**Large shares of eligible children in low-income families do not receive child care assistance.**

- HHS estimates that only 15 percent of children federally eligible to receive assistance were served in 2012. This includes children served with funds from CCDBG and the Temporary Assistance for Needy Families (TANF) block grant.<sup>4</sup>
- In a study of racial and ethnic differences in access to CCDBG, CLASP found that just 13 percent of eligible children were served nationally. The analysis also showed disparate access among racial and ethnic groups, with 21 percent of eligible Black children, 11 percent of eligible Asian children, 8 percent of eligible Latino children, and 6 percent of eligible American-Indian and Alaskan Native children receiving assistance. CLASP’s analysis also found great variation in access by state.<sup>5</sup>

**Previous CLASP analysis showed that child care assistance spending was at a 12-year low in 2014.<sup>6</sup>**

- Total spending on child care assistance—including combined CCDBG and TANF funds—fell to \$11.3 billion in 2014, the lowest level since 2002 (see Figure 2). The decline can be attributed to decreases in spending through CCDBG and direct spending from TANF.
- Since 2000, the amount of TANF funds used for child care has fallen from \$4 billion to \$2.6 billion—proving TANF, which has not had an increase in funding in 20 years, to be an unreliable source of child care funding.<sup>7</sup>
- According to the U.S. Government Accountability Office, total CCDBG spending, including transfers from TANF to CCDBG, declined by 18 percent in constant dollars from 2008 to 2014.<sup>8</sup>

**Figure 2. Total Combined Child Care Spending (in billions), 1997-2014**



Source: CLASP calculations of HHS data. American Recovery and Reinvestment Act (ARRA) funding included for years 2009-2011.

**States need additional funding to implement the bipartisan CCDBG Act of 2014.**

- Implementing new provisions of the law, raising the quality of child care, and helping low-income families gain access stable child care are important opportunities that will require significant new federal investments in CCDBG.

- CLASP estimated the cost of implementing the reauthorization—without further reducing access—would require an additional investment of \$1.2 billion.<sup>9</sup>

**Failure to invest in CCDBG is a missed opportunity to support children’s development and low-income working families’ economic stability.**

- Quality child care enables parents to work or go to school while providing young children with the early childhood education experiences needed for healthy development.
- Child care subsidies are linked to improved employment outcomes for parents, including more stable employment.<sup>10</sup>
- A recent HHS study finds that increases in child care subsidy expenditures across states increase the probability of employment among eligible women. The study estimates that a tripling of CCDBG expenditures could result in the employment of more than 652,000 low-income mothers.<sup>11</sup>
- When parents do better economically, their children do better as well. Parental employment not only improves the economic circumstance of a family, but also has been shown to improve a child’s social and emotional well-being. Child care subsidies also make higher-quality child care programs more affordable for low-income families.<sup>12</sup>

## Average Monthly Number of Children Served in CCDBG, 2006-2015

State	Average Monthly Number of Children Served 2006	Average Monthly Number of Children Served 2014	Average Monthly Number of Children Served 2015	Change in Number of Children Served 2014-2015	Change in Number of Children Served 2006-2015
Alabama	28,000	24,200	24,800	600	-3,200
Alaska	4,900	3,700	3,600	-100	-1,300
Arizona	30,200	21,000	24,400	3,400	-5,800
Arkansas	5,600	7,800	7,400	-400	1,800
California	175,500	111,400	108,600	-2,800	-66,900
Colorado	16,300	16,700	16,900	200	600
Connecticut	10,100	8,800	8,500	-300	-1,600
Delaware	7,500	7,400	7,200	-200	-300
District of Columbia	3,700	1,200	1,500	300	-2,200
Florida	108,600	86,500	82,200	-4,300	-26,400
Georgia	64,600	61,800	58,900	-2,900	-5,700
Hawaii	8,600	7,900	6,800	-1,100	-1,800
Idaho	9,900	6,200	6,700	500	-3,200
Illinois	82,200	54,200	46,200	-8,000	-36,000
Indiana	32,800	40,200	34,800	-5,400	2,000
Iowa	19,400	17,700	16,500	-1,200	-2,900
Kansas	22,400	15,700	14,000	-1,700	-8,400
Kentucky	28,900	9,500	10,100	600	-18,800
Louisiana	39,100	19,100	18,400	-700	-20,700
Maine	5,400	2,600	2,800	200	-2,600
Maryland	22,900	18,300	17,400	-900	-5,500
Massachusetts	32,100	28,300	29,500	1,200	-2,600
Michigan	87,800	37,800	32,100	-5,700	-55,700
Minnesota	27,300	25,000	23,400	-1,600	-3,900
Mississippi	39,100	17,600	20,500	2,900	-18,600
Missouri	33,600	34,500	36,000	1,500	2,400
Montana	4,800	3,400	3,200	-200	-1,600
Nebraska	13,100	11,400	11,600	200	-1,500
Nevada	6,000	5,100	5,600	500	-400
New Hampshire	7,500	5,200	5,500	300	-2,000
New Jersey	37,900	44,400	48,000	3,600	10,100
New Mexico	21,600	16,600	16,400	-200	-5,200
New York	123,700	125,600	109,000	-16,600	-14,700
North Carolina	79,900	65,600	64,100	-1,500	-15,800
North Dakota	4,000	3,200	2,200	-1,000	-1,800
Ohio	39,900	46,700	47,200	500	7,300
Oklahoma	25,000	24,100	24,300	200	-700
Oregon	20,200	15,600	15,300	-300	-4,900
Pennsylvania	82,800	91,400	93,500	2,100	10,700
Rhode Island	7,100	5,800	6,000	200	-1,100
South Carolina	19,700	12,000	10,800	-1,200	-8,900
South Dakota	4,900	4,300	4,100	-200	-800

State	Average Monthly Number of Children Served 2006	Average Monthly Number of Children Served 2014	Average Monthly Number of Children Served 2015	Change in Number of Children Served 2014-2015	Change in Number of Children Served 2006-2015
Tennessee	42,500	32,900	25,500	-7,400	-17,000
Texas	126,200	112,100	111,700	-400	-14,500
Utah	13,000	12,200	10,800	-1,400	-2,200
Vermont	6,800	4,200	4,300	100	-2,500
Virginia	27,900	24,300	24,800	500	-3,100
Washington	53,200	42,700	44,900	2,200	-8,300
West Virginia	9,300	7,700	8,200	500	-1,100
Wisconsin	29,500	24,300	27,700	3,400	-1,800
Wyoming	4,700	3,600	3,200	-400	-1,500
<b>United States<sup>13</sup></b>	<b>1,770,100</b>	<b>1,438,200</b>	<b>1,397,000</b>	<b>-41,200</b>	<b>-373,100</b>

## Endnotes

<sup>1</sup> CLASP, *\$1.2 Billion Investment Needed in 2017 to Implement CCDBG Reauthorization*, CLASP, 2016, <http://www.clasp.org/resources-and-publications/publication-1/1.2-billion-factsheet.pdf>.

<sup>2</sup> CLASP analysis is based on data reported by the U.S. Department of Health and Human Services <https://www.acf.hhs.gov/occ/resource/preliminary-fy2015>. Fiscal year 2015 data are preliminary.

<sup>3</sup> In this analysis, we include the District of Columbia as a state.

<sup>4</sup> Nina Chien, *Estimates of Child Care Eligibility and Receipt for Fiscal Year 2012*, Office of the Assistant Secretary for Planning and Evaluation, Office of Human Services Policy, U.S. Department of Health and Human Services, 2015, <https://aspe.hhs.gov/sites/default/files/pdf/153591/ChildEligibility.pdf>.

<sup>5</sup> Stephanie Schmit and Christina Walker, *Disparate Access: Head Start and CCDBG Data by Race and Ethnicity*, CLASP, 2016, <http://www.clasp.org/resources-and-publications/publication-1/Disparate-Access.pdf>.

<sup>6</sup> Hannah Matthews and Christina Walker, *Child Care Assistance Spending and Participation in 2014*, CLASP, 2016, <http://www.clasp.org/resources-and-publications/publication-1/CC-Spending-and-Participation-2014-1.pdf>. When 2015 expenditure data are available, CLASP will release an update with additional spending information.

<sup>7</sup> Christina Walker and Hannah Matthews, “Declining TANF Child Care Spending Underscores Need for Major Child Care Investment,” CLASP, 2016, <http://www.clasp.org/issues/child-care-and-early-education/in-focus/declining-tanf-child-care-spending-2015>.

<sup>8</sup> House Committee on Ways and Means, “Table 9-2: CCDF Funding History, FY 1997-FY 2016,” U.S. House of Representatives, 2016, <http://greenbook.waysandmeans.house.gov/2016-green-book/chapter-9-child-care>.

<sup>9</sup> CLASP, *\$1.2 Billion Investment Needed*.

<sup>10</sup> For a review of the research see Gregory Mills, Jennifer Compton, and Olivia Golden, *Assessing the Evidence About Work Support Benefits and Low-Income Families*, Urban Institute, 2011, <http://www.urban.org/UploadedPDF/412303-Work-SupportBenefits.pdf>.

<sup>11</sup> Kimberly Burgess, Nina Chien, and Maria Enchautegui, *The Effects of Child Care Subsidies on the Maternal Labor Force Participation in the United States*, Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, 2016, <https://aspe.hhs.gov/effects-child-care-subsidies-maternal-labor-force-participation-united-states>.

<sup>12</sup> Rebekah L. Coley and Caitlin McPherran Lombardi, “Does Maternal Employment Following Childbirth Support or Inhibit Low-Income Children's Long-Term Development?,” *Child Development* 84 (2012). Results in this study were most significant for African American children. Anna D. Johnson, Rebecca M. Ryan, and Jeanne Brooks-Gunn, “Child-Care Subsidies: Do They Impact the Quality of Care Children Experience?,” *Child Development* 83 (2012).

<sup>13</sup> U.S. totals include expenditures in U.S. territories and do not equal the sum of state expenditures shown here.