

## Budget Deal Includes Unprecedented Investment in Child Care

On February 9, Congress passed and the President signed a two-year budget deal, under which an additional \$5.8 billion in discretionary funding will be provided over two years for the Child Care and Development Block Grant (CCDBG). This deal will increase discretionary funding for CCDBG from \$2.9 billion in FY 2017 to \$5.8 billion in FY 2018 and in FY 2019.<sup>1</sup>

This will fully fund the 2014 child care reauthorization, according to estimates from the U.S. Department of Health and Human Services (HHS).<sup>2</sup> The reauthorization included provisions to improve the health, safety, and quality of child care and make child care assistance a more stable support for families.<sup>3</sup> The funds will also allow states to expand access to child care assistance—reversing course from years of decline. Over nine years, CCDBG served 21 percent fewer children in an average month—resulting in the smallest number of children served in the program’s history in 2015.<sup>4</sup>

CLASP estimates that after funding the reauthorization costs, the increase will provide resources for an additional 230,000 children to gain child care assistance.<sup>5</sup> The actual number of children served will depend on states’ current compliance with the reauthorization as well as state policy choices, including quality initiatives and provider payment rates.

### State Impact of \$2.9 Billion Increase in CCDBG Funding

State	Additional Funding in FY 18 and FY 19 <sup>6</sup>	Additional Children to Receive CCDBG-funded Child Care
Alabama	\$53,211,567	4,020
Alaska	\$5,330,830	580
Arizona	\$71,548,419	3,950
Arkansas	\$33,627,244	1,200
California	\$305,025,145	17,590
Colorado	\$35,388,683	2,740
Connecticut	\$18,403,626	1,380

State	Additional Funding in FY 18 and FY 19 <sup>7</sup>	Additional Children to Receive CCDBG-funded Child Care
Delaware	\$7,673,726	1,170
District of Columbia	\$4,613,753	240
Florida	\$168,392,993	13,310
Georgia	\$119,098,590	9,540
Hawaii	\$10,253,716	1,100
Idaho	\$16,761,609	1,080
Illinois	\$99,949,491	7,480
Indiana	\$64,661,860	5,630
Iowa	\$24,583,773	2,670
Kansas	\$25,907,113	2,270
Kentucky	\$51,659,553	1,640
Louisiana	\$50,190,947	2,980
Maine	\$9,058,151	450
Maryland	\$36,159,418	2,820
Massachusetts	\$35,600,524	4,780
Michigan	\$84,093,752	5,200
Minnesota	\$38,301,126	3,790
Mississippi	\$39,441,663	3,320
Missouri	\$53,776,359	5,830
Montana	\$8,062,011	520
Nebraska	\$15,608,411	1,880
Nevada	\$25,644,183	910
New Hampshire	\$5,950,074	890
New Jersey	\$51,268,591	7,770
New Mexico	\$24,266,523	2,660
New York	\$128,772,569	17,650
North Carolina	\$96,485,950	10,380

State	Additional Funding in FY 18 and FY 19	Additional Children to Receive CCDBG-funded Child Care
North Dakota	\$4,452,984	360
Ohio	\$96,109,356	7,640
Oklahoma	\$39,418,116	3,930
Oregon	\$32,418,277	2,480
Pennsylvania	\$84,194,586	15,140
Rhode Island	\$6,598,817	970
South Carolina	\$50,745,932	1,750
South Dakota	\$7,204,792	660
Tennessee	\$66,923,895	4,130
Texas	\$292,749,787	18,090
Utah	\$33,286,976	1,750
Vermont	\$3,698,482	700
Virginia	\$55,372,339	4,020
Washington	\$48,937,453	7,270
West Virginia	\$18,028,084	1,330
Wisconsin	\$42,824,078	4,490
Wyoming	\$3,544,566	520
<b>Total</b>	<b>2,856,000,000</b>	<b>226,210</b>

Note: Included in the \$2.9 billion is funding for U.S. territories; tribes; technical assistance; research and evaluation; and a national hotline and website.

<sup>1</sup> The federal government provides to states mandatory funding, or the Child Care Entitlement, authorized in Section 418 of the Social Security Act, and discretionary funding, authorized in the CCDBG Act and appropriated annually by Congress. The increase in discretionary funding would bring total annual federal funding, including mandatory and discretionary funds, for child care assistance to \$8.6 billion in FY 2018 and in FY 2019—an increase of \$2.9 billion over FY 2017 funding.

<sup>2</sup> Final Rule of September 30, 2016, Child Care and Development Fund Program, Federal Register, Vol. 81, No. 190 <https://www.gpo.gov/fdsys/pkg/FR-2016-09-30/pdf/2016-22986.pdf>.

<sup>3</sup> Hannah Matthews, Karen Schulman, Julie Vogtman, Christine Johnson-Staub, Helen Blank, *Implementing the Child Care and Development Block Grant Reauthorization: A Guide for States*, CLASP, 2017, <https://www.clasp.org/publications/report/brief/implementing-child-care-and-development-block-grant-reauthorization-guide>.

<sup>4</sup> Hannah Matthews, Christina Walker, *CCDBG Participation Drops to Historic Low*, CLASP, 2017, <https://www.clasp.org/sites/default/files/public/resources-and-publications/publication-1/CCDBG-Participation-2015.pdf>.

<sup>5</sup> CLASP estimated the number of children served based on a per-child cost derived from CCDF expenditures and participation. We also accounted for the costs of implementing the 2014 child reauthorization as outlined in the *CCDF Final Rule* and the costs of maintaining current caseloads.

<sup>6</sup> State discretionary funding amounts come from FY 2017 CCDF Allocations, U.S. Department of Health and Human Services, Administration for Children and Families, 2017, <https://www.acf.hhs.gov/occ/resource/fy-2017-ccdf-allocations-including-redistributedfunds>.

<sup>7</sup> State discretionary funding amounts come from FY 2017 CCDF Allocations, U.S. Department of Health and Human Services, Administration for Children and Families, 2017, <https://www.acf.hhs.gov/occ/resource/fy-2017-ccdf-allocations-including-redistributedfunds>.