

Child Care in the Bipartisan Budget Act of 2018 *Frequently Asked Questions*

February 13, 2018

On February 9th, 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 2019.¹

We understand that there are many questions about this deal. The following answers to the most frequently asked questions are based on what we know at this time:

Did Congress pass an appropriations bill or are we still operating under a Continuing Resolution (CR) for FY 2018?

Congress came to an agreement on overall spending levels for FY 2018 and 2019 and has agreed to increase CCDBG funding by \$5.8 billion over those years. While Congress passed, and Trump signed, a budget that sets overall spending levels, it has not yet passed a FY 2018 appropriations bill setting specific spending levels for individual programs. The next step is for Congress to pass an omnibus spending bill by March 23 when the current Continuing Resolution (CR) for FY 2018 runs out.

What is the timeframe for the increase?

The spending bill will set funding levels for FY 2018. The increase in funding will be available from October 1, 2017. States have two years to obligate discretionary funds and three years to spend them.

How much will my state get?

Congress doubled the discretionary portion of CCDBG funding from \$2.9 billion to \$5.8 billion annually. Since discretionary funding is formula-based, we estimate that each state will receive double the amount of discretionary CCDBG funding it received in FY 2017. Estimates for each state are included [here](#).

Do we need to increase our state match to draw down these additional dollars?

No. CCDBG discretionary funding does not require a state match.

Can these funds be used to replace (supplant) existing state dollars used for child care?

No. Appropriations law requires that the entire amount of CCDBG funds be used to supplement, not supplant, state general revenue funds for child care assistance for low-income families. Nonetheless,

advocates will need to monitor their states closely to ensure that they do not attempt to supplant the funds.

How many additional children could the increase potentially serve?

CLASP estimates that after funding the reauthorization costs, the increase will provide resources for an additional 230,000 children to gain child care assistance.² 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. CLASP estimates of the number of additional children potentially served in each state can be found [here](#).

Does the new funding have to be spent in a particular way?

The deal does not stipulate how the increase in CCDBG funds must be spent by states. We anticipate that these dollars will be appropriated as regular CCDBG funding, which must be spent for purposes consistent with the CCDBG Act of 2014 and its rules, including percentages spent on quality initiatives and infant-toddler quality.

Can states start planning for the increase in funding?

While the details are finalized, states can begin thinking about how to best use these additional dollars to help increase families' access to affordable, high-quality child care. This is a great opportunity to better meet the child care needs of children and families in your state, and fulfill the promise of the 2014 CCDBG reauthorization. CLASP and NWLC's [Implementing the Child Care and Development Block Grant Reauthorization: A Guide for States](#) includes ideas to get started.

How does this budget deal relate to the Trump Administration's FY 2019 budget proposal released on February 12?

The President's budget proposal is a non-binding blueprint of the Administration's spending priorities. Republicans and Democratic members of Congress voted to prioritize child care funding in the Bipartisan Budget Act of 2018, passed earlier in February and signed by Trump. The President's proposed budget does not reflect this commitment to CCDBG or for many other priorities included in the budget deal. We will be closely tracking the FY 2018 spending bill aligned with the Budget Act to make sure that it moves forward.

¹ 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.

² 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.