

CUTS TO SSBG, TANF WOULD ELIMINATE CHILD CARE FOR 40K CHILDREN, DISRUPT CARE FOR MILLIONS MORE

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Federal budget proposals currently under consideration threaten resources available for children and families through multiple key programs, including the Temporary Assistance for Needy Families (TANF) and the Social Services Block Grant (SSBG) programs. These programs are vital supports for families with low incomes throughout the country and provide access to essential services, including child care and early education. The Child Care and Development Block Grant (CCDBG) is the primary source of federal funding for child care and early education, but in some states TANF and SSBG provide significant support for child care assistance. The proposed threats to these programs will further restrict access to child care and early education for tens of thousands of children and families.¹

Child care access **for close to 40,000 children** across the country is at risk in addition to vital supports and services for families if we do not protect SSBG and TANF funding.² This fact sheet provides background information about SSBG and TANF programs and highlights the number of children whose child care would be impacted by threatened cuts.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

The TANF block grant was created in 1996, replacing the previous Aid to Families with Dependent Children program. States were given broad flexibility to spend TANF funds on a wide range of services and programs for families with low incomes. For example, states could use TANF to pay for child care to allow parents to work or participate in job training programs.³

Because the TANF block grant has not been adjusted for inflation since 1996, its value has eroded significantly. For today's \$16.2 billion block grant to have the same purchasing power it had in 1996, it would have to be twice as large—\$32.4 billion.⁴

Today, TANF has become a major source of child care funding, with states spending \$1.3 billion directly on child care services in fiscal year 2023, and over a billion dollars were transferred at the state level to CCDBG to supplement that funding.⁵ Therefore, proposed cuts to TANF would have significant negative consequences for the number of families who receive child care assistance.

SOCIAL SERVICES BLOCK GRANT

The SSBG was created in 1981 as the result of the consolidation of a number of different categorical programs. These programs were combined into a block grant that could be used for a wide range of activities. Funding was set at \$2.4 billion in 1982, rising to \$2.7 billion by 1985. To have that same purchasing power today, the block grant would need to be \$8.38 billion. Instead, SSBG funding was gradually cut in the late 1990s, and has been set at \$1.7 billion a year since 2002. Furthermore, due to sequestration that began in 2013, the program has often not received the full appropriated amount.⁶

In some states, SSBG is a significant source of child care funding.

WHAT'S AT RISK?

Congressional Republicans are threatening to eliminate all SSBG funding and substantially reduce TANF funding. We estimate this could result in more than 39,000 children across the country losing access to child care assistance that provides essential stability and child development support to children while their parents work or go to school. The states listed in the chart below will be disproportionately harmed.

States with the Highest Number of Affected Children⁷

State	Effect of Eliminating SSBG and Cutting TANF by 10% on Child Care Spending	Number of Children Who Will Lose Access to Care
California	\$54,514,875	8,220
Massachusetts	\$80,478,042	6,906
North Carolina	\$50,588,418	3,899
Pennsylvania	\$23,828,108	3,814
Ohio	\$23,610,930	2,932
Florida	\$19,074,992	2,545
Washington	\$21,037,067	1,895
Wisconsin	\$15,262,323	1,064

In addition to the children who would lose child care assistance, an estimated 2.4 million children's access to child care and early education could be affected.⁸ This is because child care is significantly underfunded, leaving states to piece together funding for child care through various funding sources that neither individually nor collectively come close to providing sufficient support for accessible, affordable, quality care that meets children's and families' needs.

We urge Congress to prioritize the needs of children and families and reject these dangerous cuts that will further restrict access to child care.

For questions or more information, please reach out to Stephanie Schmit, Director of Child Care and Early Education at CLASP at sschmit@clasp.org. The authors would like to thank Elizabeth Lower-Basch for her support in providing data, background on SSBG and TANF, and a thorough review of this fact sheet.

ENDNOTES

- ¹ "Reconciliation Menu by House Budget Committee," *Politico*, <https://www.politico.com/f/?id=00000194-74a8-d40a-ab9e-7fbc70940000>.
- ² Calculated based on 2022 expenditures on child care from the TANF block grant and 2022 SSBG spending on child care. Assumes a 10 percent reduction in TANF and complete elimination of SSBG. Assumes no changes to TANF MOE spending on child care. Data from "TANF Financial Data - FY 2022," *Office of Family Assistance, The Administration for Children and Families*, January 22, 2024, <https://acf.gov/ofa/data/tanf-financial-data-fy-2022>; and "Data Dashboard," *Social Services Block Grant Program*, <https://ssbportal.acf.hhs.gov/DataDash>.
- ³ Elizabeth Lower-Basch and Ashley Burnside, "TANF 101: Block Grant," Center for Law and Social Policy, February 19, 2025, <http://clasp.org/publications/report/brief/tanf-101-block-grant/>.
- ⁴ CLASP calculation using [CPI Inflation Calculator](#) to compare January 2025 and August 1996.
- ⁵ "TANF and MOE Spending and Transfers by Activity, FY 2023," *Office of Family Assistance, The Administration for Children and Families*, November 7, 2024, <https://acf.gov/ofa/data/tanf-and-moe-spending-and-transfers-activity-fy-2023>.
- ⁶ "Block-Granting Low-Income Programs Leads to Large Funding Declines Over Time, History Shows: Methodology," Center on Budget and Policy Priorities, February 22, 2017, <https://www.cbpp.org/research/federal-budget/block-granting-low-income-programs-leads-to-large-funding-declines-over-ti-0>; "Social Services Block Grant," *Congressional Research Service*, May 23, 2024, <https://crsreports.congress.gov/product/pdf/IF/IF10115>.
- ⁷ Calculated based on 2022 expenditures on child care from the TANF block grant and 2022 SSBG spending on child care. Assumes a 10 percent reduction in TANF and complete elimination of SSBG. Assumes no changes to TANF MOE spending on child care. Data from "TANF Financial Data," *Office of Family Assistance* and "Data Dashboard," *Social Services Block Grant Program*.
- ⁸ "SSBG Annual Report FY 2022," *Office of Community Services, The Administration for Children and Families*, June 17, 2024. <https://acf.gov/ocs/report/ssbg-annual-report-fy-2022>.