

FY25 CONTINUING RESOLUTION MEANS FEWER CHILDREN HAVE ACCESS TO CHILD CARE THROUGH CCDBG

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On March 15, 2025, President Donald Trump signed the **Full-Year Continuing Appropriations and Extensions Act, 2025** into law. The law decreased nondefense spending by \$13 billion but kept spending levels the same as fiscal year (FY) 2024 for many programs, including the Child Care and Development Block Grant (CCDBG). Even though these programs may not be targeted by line-item cuts, with inflation rising, the FY 24 funding levels won't go as far in FY25. CLASP estimates that approximately **24,000 fewer children** will have access to child care through CCDBG in FY25 due to stagnant funding.

CCDBG is a critical support for families with low incomes who, without access to assistance, would likely be unable to afford their current child care arrangements. However, due to limited federal funding, child care assistance funded through CCDBG and other federal sources was only able to serve 15 percent of eligible children in 2021, the most recent year that data is available.¹ The annual appropriations process is an important opportunity to increase federal investments in programs that respond to increased need and ensure funding keeps up with rising inflation.

As concerns about economic recovery, unemployment, and inflation persist, significant and sustained increases in annual discretionary funding remain a critical support. And, given the fragile nature of the child care sector caused in part by decades of insufficient federal funding, the need for **long-term and sustainable increases** for child care remains ever present.

Furthermore, the preliminary version of the **President's budget for FY26** includes proposed cuts to programs like the Preschool Development Grant Birth Through Five, Child Care Access Means Parents in Schools, and the Individuals with Disabilities in Education Act. The President's budget is a statement of his priorities for investment for the coming fiscal year, not an actual budget. These proposed cuts are in addition to ongoing threats to Head Start. Moreover, Congress is preparing a budget through the reconciliation process to cut trillions of dollars, likely through vital programs like food assistance, Medicaid, and other programs to pay for harsh immigration policies and offer tax cuts for billionaires and corporations, making this moment particularly volatile for children, families, and child care providers. These are, in many cases, the very same families impacted across numerous

programs. As Congress engages in the FY26 appropriations process, it is essential that they protect programs families rely on and fight for investments that align with need, like urgent investments in child care to preserve access to assistance.

The following table provides each state's estimated distribution of grant year² (GY) 2025 annual discretionary funds,³ and the estimated number of children that will lose access to CCDBG-funded child care from the failure to keep child care assistance at pace with inflation.

For questions, please contact Stephanie Schmit at sschmit@clasp.org.

State	Estimates of GY2025 Discretionary Funds ⁴	Number of children who lose access to CCDBG-funded child care with level funding ⁵
Alabama	\$156,190,404	655
Alaska	\$14,341,607	26
Arizona	\$201,548,011	585
Arkansas	\$109,006,199	313
California	\$811,192,986	3,140
Colorado	\$92,010,245	229
Connecticut	\$60,484,850	130
Delaware	\$21,916,713	84
District of Columbia	\$12,770,063	21
Florida	\$485,081,260	1,661
Georgia	\$348,271,393	928
Hawaii	\$28,895,588	44
Idaho	\$48,913,009	168
Illinois	\$251,602,062	767
Indiana	\$187,551,337	509
Iowa	\$79,517,219	303
Kansas	\$73,275,885	281
Kentucky	\$153,102,972	562
Louisiana	\$154,029,643	503
Maine	\$23,423,042	66
Maryland	\$107,027,069	211
Massachusetts	\$109,222,723	241
Michigan	\$230,973,545	724
Minnesota	\$109,140,580	250
Mississippi	\$102,911,556	463

State	Estimates of GY2025 Discretionary Funds ⁴	Number of children who lose access to CCDBG-funded child care with level funding ⁵
Missouri	\$163,886,552	637
Montana	\$21,841,526	29
Nebraska	\$47,686,663	123
Nevada	\$71,120,659	147
New Hampshire	\$18,019,950	59
New Jersey	\$162,059,252	374
New Mexico	\$71,671,146	193
New York	\$385,062,274	634
North Carolina	\$260,833,234	516
North Dakota	\$15,420,486	44
Ohio	\$296,757,020	946
Oklahoma	\$132,140,890	400
Oregon	\$78,119,679	195
Pennsylvania	\$265,137,530	1,090
Puerto Rico	\$52,424,071	94
Rhode Island	\$19,301,003	43
South Carolina	\$155,138,529	362
South Dakota	\$23,681,998	85
Tennessee	\$232,981,446	746
Texas	\$942,632,997	3,204
Utah	\$104,395,321	278
Vermont	\$9,744,684	18
Virginia	\$168,365,236	327
Washington	\$126,796,603	293
West Virginia	\$53,755,061	197
Wisconsin	\$121,943,216	218
Wyoming	\$9,637,814	39
United States	\$8,658,923,130⁶	24,062⁷

ENDNOTES

¹ Nina Chien, “Estimates of Child Care Eligibility & Receipt for Fiscal Year 2021,” Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, September 2024,

<https://aspe.hhs.gov/sites/default/files/documents/a91fd97aa80b53fa52a52d38cd323509/cy2021-child-care-subsidy-eligibility.pdf>.

² Fiscal Year (FY) refers to the period from October 1 through September 30 during which states and territories may spend funds awarded in the current and prior years. Grant Year (GY) refers to the year the funds were awarded, although states and territories may liquidate some Child Care Development Fund (CCDF) funding streams in later fiscal years. **Note:** CCDF refers to the federal funding sources for child care and is used interchangeably with CCDBG in this fact sheet.

³ CCDBG annual discretionary funds are distributed based on three main factors. The first two factors compare the ratio of the number of children in a state to the number of children in the country within the following categories: the number of children under five and the number of children who receive free or reduced priced lunch. The other factor makes a comparison of the three-year national per capita income with the three-year average state per capital income.

⁴ The state discretionary funding distributions are derived from the “GY2024 CCDF Allocations (Based on Appropriations),” U.S. Department of Health and Human Services, Administration for Children and Families, current as of April 10, 2024, <https://www.acf.hhs.gov/occ/data/gy-2024-ccdf-allocations-based-appropriations>. Actual amounts may differ due to the Health & Human Services Secretary’s authority and discretion in set-aside funding and re-allocation of previous year’s resources.

⁵ CLASP’s estimates are based on the Congressional Budget Offices *The Budget and Economic Outlook 2025-2035*, published in January 2025. CLASP takes an average of the inflation rates looking at the change from year to year for both the Consumer Price Index for all urban consumers (CPI-u) and the Employment Cost Index (ECI) to conduct our estimate. These rates can be found in “Table C-1: CBO’s Economic Projections for Calendar Years 2025 to 2035,” Congressional Budget Office, January 2025, <https://www.cbo.gov/system/files/2025-01/60870-Outlook-2025.pdf>.

⁶ This total includes funding for tribes and territories, as well as research, technical assistance, administration, hotline, and website in addition to the state funding outlined in the table. As a result, this total exceeds the sum of the state distribution. This total does not reflect a \$80,213,870 transfer based on the Consolidated Appropriations Act of 2018 provision giving the Health & Human Services Secretary authority to transfer discretionary funding between appropriations. In addition, the total does not include any funds available through the American Rescue Plan Act.

⁷ This total inflationary impact includes inflationary impacts to all aspects of the program including tribes and territories, as well as research, technical assistance, administration, hotline, and website in addition to states.