

## OVERVIEW

- Reauthorization is an important process that gives Congress the opportunity to revise, adapt, or enhance federal programs to better meet changing needs.
- While the early learning landscape and needs of families have changed significantly in the past decade, the Child Care and Development Block Grant Act has not been reauthorized since 2014.
- Reauthorization would give Congress the opportunity to consider program improvements that could allow more families to qualify for support; strengthen the child care workforce; ensure families have more options; and improve data collection to create more effective systems.

Reauthorization is an important process that gives Congress the opportunity to **revise, adapt, or enhance federal programs** as needs and systems evolve.

The Child Care and Development Block Grant (CCDBG) is the primary federal program that helps low-income working families afford child care. It was last reauthorized in 2014 with strong bipartisan support.

Since then, however, the needs of children and families have significantly changed, as has the child care landscape. The high cost and limited supply of quality, reliable child care has made access increasingly difficult for families, while more and more employers are citing a lack of child care as hurting their ability to attract and retain workers.

Reauthorizing the program would allow Congress to adapt CCDBG to better meet the changing needs of families, providers and employers in today's economy and improve access to affordable, quality child care.

Reauthorization also presents the chance to consider the federal investment needed to successfully implement program changes and streamline the ways CCDBG works with other early learning programs to best support states, communities, and families across the country.

## About the Child Care & Development Block Grant (CCDBG)

CCDBG provides child care financial assistance to eligible low-income working families with children under age 13 through subsidies or vouchers.

**History:** Created in 1990, CCDBG was last reauthorized with strong bipartisan support in 2014.

**Reach:** Each year the program supports over one million children, with the majority of funding concentrated on families with children ages five and under.

**Financial Impact:** Through a CCDBG subsidy or voucher program, qualifying low-income families pay between \$0 and \$200 per month (depending on location) for care, instead of the average \$965 per month.

**Options:** CCDBG allows parents to pick the type of child care setting that works best for them, including family child care homes, faith-based programs, or center-based providers. Participating providers must meet basic quality standards that help ensure children are in safe and nurturing environments that set them up for success.

Click [here](#) to see how CCDBG benefits families in your state.

# Reauthorization provides Congress with the opportunity to **adapt, change, and enhance** the Child Care and Development Block Grant by:

## Creating More Options

Through reauthorization, Congress could improve provider reimbursement rates to encourage more quality programs to participate in CCDBG.

- Most states base provider reimbursement rates on a market rate survey (MRS), which assess the current price providers are charging families for care. Because a MRS reflects what parents pay, not how much it actually costs to provide quality care, reimbursement rates are often set too low. This discourages some programs from participating in CCDBG and leaves participating programs with too little funding.
- Reauthorization could support states in moving to a cost estimation model of establishing provider payments. This would allow reimbursement rates to more accurately reflect the actual cost of child care services by taking into account a variety of factors such as the age of the child, classroom ratios, licensing, and other quality standards. This also provides an avenue for states to design more effective supply-side financing solutions.

## Supporting Quality Care

Through reauthorization, Congress could help providers attract and retain skilled caregivers and educators.

- [Low wages](#) and limited access to benefits create real challenges in recruiting and retaining quality early childhood educators. Child care providers are often running on tight margins, and low reimbursement rates inhibit them from compensating staff appropriately.
- Reauthorization facilitates a chance to increase reimbursement rates, allowing providers to improve staff compensation, supports, and ultimately strengthen program quality. Financial assistance for postsecondary credential attainment, apprenticeship opportunities, retention grants, and wage supplements could all help increase the supply of quality early childhood educators.

## Increasing Supply

Through reauthorization, Congress could help states build the supply of child care and support mixed delivery systems.

- Affordability is not the only issue families face— there is also a need for more physical locations and more staff. Nationally, there is an [average gap of over 30%](#) in the number of children who potentially need formal child care but whose families cannot reasonably access it. The shortage of quality options is acute for infants and toddlers, children with disabilities, and those needing nontraditional hour care. Currently there is no section within CCDBG dedicated to building capacity within states.
- Reauthorization presents an opportunity to give states additional resources and flexibility to better collect information about the availability of care, respond to the need for facilities, support efforts to grow the workforce, and address other supply challenges while supporting a mixed-delivery system committed to parental choice.

## Helping Families Find Care

Through reauthorization, Congress could strengthen data collection to help families more easily find quality care and give lawmakers a better understanding of challenges and needs.

- Quality data is essential to understanding the experiences of young children and their families, and equipping leaders and policymakers with the information needed to improve the child care system. There is a lack of data on what barriers providers face to offering care, how families make decisions around child care, on the availability and quality of care, and more.
- Reauthorization offers a chance to review reporting requirements to ensure that parents and policymakers have timely and transparent data.

## Reaching More Working Families

Through reauthorization, Congress could help states serve more children.

- Only families with incomes below 85% of the state median income (SMI) are eligible for CCDBG. However, states can (and do) set income eligibility below that ceiling because of limited resources.
- Reauthorization provides the opportunity to consider increasing and sustaining federal investments to ensure states can reach all eligible children and provide lead agencies with the flexibility to expand services to more families.

## Examining Unnecessary Barriers

Through reauthorization, Congress could examine how best to ensure that children are served in safe and nurturing environments that support their healthy growth and development, without placing an undue regulatory burden on states and providers.

- Child care providers are often overwhelmed by overlapping, conflicting, and outdated regulations.
- Reauthorization opens the door for states to examine their local health and safety requirements to reduce or streamline conflicting or unnecessary regulations that discourage quality providers from participating in CCDBG.



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## About First Five Years Fund

The first five years last forever. At First Five Years Fund, we work to protect, prioritize, and build bipartisan support for quality child care and early learning programs at the federal level. Reliable, affordable, and high-quality early learning and child care can be transformative, not only enhancing a child's prospects for a brighter future but also bolstering working parents and fostering economic stability nationwide. Join us at [www.ffyf.org](http://www.ffyf.org).