

# Child Care and Development Block Grant (CCDBG)

Federal Child Care and Development Block Grant (CCDBG) funding allows states to provide child care subsidies for low-income families with children under 13. The majority of funds serve children under 5, with the remainder supporting care for children ages 5-13 while they are not in school. These subsidies help remove barriers to affordable, high-quality child care—whether in center- or home-based settings. Further, the law allows states to pair state and federal funds to improve access and quality of child care available to families within existing state and local systems. In this way, CCDBG plays a critical role in ensuring young children are accessing the high-quality early learning experiences that support their healthy development and prepare them for kindergarten while their parents work or attend school.

## Administration of Program

Discretionary funds appropriated for CCDBG are combined with mandatory funds under the Social Security Act into a single, federal child care funding stream known as the Child Care and Development Fund (CCDF). The Administration for Children and Families within the Department of Health and Human Services administers CCDF dollars, which are allocated to states, territories, and tribal entities based on a formula. States then design their own subsidy programs in compliance with federal eligibility and quality requirements, with the ability to establish their own additional requirements.

## At a Glance

■ **Created:** 1990

### Who This Program Serves:

Families with children from birth to age 13 whose income is below 85% of the state median income. States can set income eligibility below that ceiling, and many do.

(Average \$80,527 annually for family of 4.)

### Number of Children Served:

An estimated 1.4 million children received child care subsidies monthly in FY2019.

### Percent Served Based on Eligibility:<sup>1</sup>

14% of all children eligible under federal rules.

### Delivery Method:

Eligible families can apply to the state's lead agency for a subsidy. Families who receive a subsidy may choose any child care provider that meets state health and safety requirements. In some states, providers receive a voucher or child care certificate from a parent. In others, they are paid directly through a contract with the state.

### Current Federal Funding:

**FY2021: \$9.461 billion**  
(\$5.911 billion discretionary,  
\$3.550 billion mandatory)

<sup>1</sup> FY2017 (Bipartisan Policy Center)



As states continue to implement the 2014 quality improvements while responding to the needs resulting from the pandemic, additional funding is essential to expanding access to quality child care for more working families.

## ■ Bipartisan Funding Investments

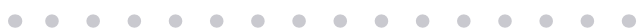
Fortunately, Congress recognizes the need for such an investment. Following passage of a **bipartisan FY2018 spending bill that included the single largest increase to CCDBG in the program’s history**, Congress approved an additional \$50 million for FY2019 and \$550 million in FY2020. In FY2021, CCDBG is funded at \$5.911 billion, an increase of \$85 million.

Throughout the pandemic, CCDBG has been the primary mechanism for providing funding to child care providers, who have faced significant increases in overhead costs coupled with declining revenue, and has been key to ensuring access to child care for thousands of working families. A summary of CCDBG funding provided in each of the bills, how funds can be used, and relevant deadlines for reporting and spending the dollars is available [here](#).

## ● Ensuring Quality

A 2014 bipartisan reauthorization of the CCDBG Act made significant changes to improve the overall quality of care available and to make it easier for parents to find and maintain high-quality care. Key improvements include strengthening health and safety requirements for child care providers, increasing quality, and improving transparency so families are equipped to choose care that best meets the needs of their children. Since then, states have used increased funding to meet the new standards, decrease costs to parents, reduce waitlists, and support local providers; still, much work remains.

Prior to the COVID-19 pandemic, families at every income level struggled to find and afford high-quality care, and **less than 20% of eligible children received support through CCDBG**. These challenges have only been exacerbated over the last two years.



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