**Child Care & Development Block Grant in Alabama**

The Child Care & Development Block Grant (CCDBG) is the primary federal grant program that allows states to provide child care assistance to low-income working families with children under age 13. The majority of these funds serve children 6 years or younger, with the remainder supporting care for older children during out-of-school time.

Subsidies help remove barriers to affordable, high-quality child care, whether in center- or home-based settings. They give working parents the ability to access quality care and choose the type of care that works best for them. The majority of funds go directly to providing early learning experiences, but states can also use the funding to:
- Recruit and retain a well-qualified, fairly compensated, and effective workforce
- Support continuous quality improvement
- Meet the child care needs of families working nontraditional hours

**CCDBG by the Numbers in Alabama**

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children Under 6</td>
<td>351,064</td>
</tr>
<tr>
<td>Population Under 6 with All Parents in the Workforce</td>
<td>62%</td>
</tr>
<tr>
<td>Children Ages 0-6 Served by CCDBG and Mandatory Funds</td>
<td>21,708</td>
</tr>
<tr>
<td>Providers Accepting CCDBG Subsidies</td>
<td>1,720</td>
</tr>
<tr>
<td>Children Currently Served by CCDBG Who Are Under the Age of 6</td>
<td>67%</td>
</tr>
<tr>
<td>CCDBG and Mandatory Funds</td>
<td>$146,861,885</td>
</tr>
<tr>
<td>CCDBG State Match</td>
<td>$6,638,281</td>
</tr>
<tr>
<td>CCDBG COVID-Relief Allocations: CARE$</td>
<td>$986,120,004</td>
</tr>
<tr>
<td>TANF Transferred to CCDBG</td>
<td>$18,601,451</td>
</tr>
</tbody>
</table>

**Income Eligibility**

Given CCDBG is a federal block grant, state Lead Agencies have the flexibility to design their own subsidy programs in compliance with established eligibility and quality requirements and may choose to set their own additional requirements.

The Lead Agency in Alabama is the Alabama Department of Human Resources.

Families that meet income eligibility and work/job training/education requirements can apply to the Lead Agency for a subsidy. Many families are required to pay a copay, but states may waive those requirements. Families who receive a subsidy may choose any participating child care provider, including center-based care (including faith-based programs), home-based care, and in-home care.

In Alabama, eligibility is capped at 54% of State Median Income (SMI). This means that a family of 3 is eligible for a subsidy if they make: $2,598 or less per month ($31,176 per year).

**How CCDBG Funds Flow**

Using an established federal formula, states, territories, and tribal entities receive grant awards from the Department of Health and Human Services, Administration for Children and Families (ACF).

- **Parents**
  - Families can use vouchers to help cover the cost of care if a provider/program agrees to accept them.

- **Providers**
  - Grants and contracts represent agreements between the subsidy program and child care providers to designate slots for subsidy-eligible children.

In Alabama, 35% of children ages 0-6 are eligible for a CCDBG subsidy under federal rules on average each month.

However, of these children 82% are not served due to insufficient federal funding.

In Alabama, eligibility is capped at 54% of State Median Income (SMI). This means that a family of 3 is eligible for a subsidy if they make: $2,598 or less per month ($31,176 per year).
In Alabama, a family receiving a CCDBG subsidy pays between $144 and $184 out-of-pocket per month.

Families whose income falls at or below 100% of the federal poverty level are exempt from copayments.

Families that don’t receive subsidies pay significantly higher costs. For instance, center-based infant care ranges in price from $416 to $859 in Barbour County per month.

Find more information on child care prices by age and care setting in your state or county here.

In Alabama, center-based providers are reimbursed at the federally recommended rate, but family child care providers are reimbursed at a far lower rate than recommended. Low payment rates make it difficult for providers to stay financially afloat and provide high-quality learning experiences. They also force low- and middle-income working families to pay higher child care fees to compensate.

1. Census
2. United States Women’s Bureau, “National Database of Child Care Prices”
3. Market basket studies (MBS), which must be completed every three years, examine the fees that child care providers charge for services in the local market.
4. States Can Improve Child Care Assistance Programs Through Cost Modeling
5. American Rescue Plan Act (ARPA) Supplemental Stabilization and CCDF Discretionary Funding Allocation Tables for States and Territories
6. 100% of the federal poverty level is $23,030 annually
7. United States Women’s Bureau, “National Database of Child Care Prices”
8. Ibid.
9. American Rescue Plan Act Spending Spotlight
10. As of July 2022, the Alabama Department of Human Resources increased quarterly payments to $3,000 for full-time early childhood workers and $1,500 for part-time employees. Employees could receive up to 8 bonus payments.
13. ACF, “FY 2019 Preliminary Data Table 9 – Average Monthly Percentages of Children in Care by Age Group”
14. ACF, “FY 2019 Preliminary Data Table 7 – Number of Child Care Providers Receiving CCDF Funds”
15. Ibid.
16. OCC, “FY 2020 Preliminary Data Tables”
17. OCC, “Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) of 2021 Allocations for States and Territories”
18. OCC, “American Rescue Plan Act (ARPA) Supplemental Stabilization and CCDF Discretionary Funding Allocation Tables for States and Territories”
19. OCC, “FY 2020 Preliminary Data Table 7 – Number of Child Care Providers Receiving CCDF Funds”
20. States Can Improve Child Care Assistance Programs Through Cost Modeling
21. American Rescue Plan Act (ARPA) Supplemental Stabilization and CCDF Discretionary Funding Allocation Tables for States and Territories
22. Market basket studies (MBS), which must be completed every three years, examine the fees that child care providers charge for services in the local market.
23. States Can Improve Child Care Assistance Programs Through Cost Modeling
26. States Can Improve Child Care Assistance Programs Through Cost Modeling
27. Ibid.
28. Ibid.
29. Ibid.
30. Ibid.
31. Ibid.
32. Ibid.