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 California

- **2,881,047** Children Under 6
- **61%** Population Under 6 with All Parents in the Workforce
- **108,432** Children Ages 0-6 Served by CCDBG and Mandatory Funds
- **49,316** Providers Accepting CCDBG Subsidies
- **54%** Children Currently Served by CCDBG Who Are Under the Age of 6
- **$829,421,539** CCDBG and Mandatory Funds
- **$157,230,105** CCDBG State Match
- **$5,071,159,760** CCDBG COVID-Relief Allocations: CARES | CRRSA | ARPA (CCDF + Stabilization)
- **$0** TANF Transferred to CCDBG

### 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 California is the California Department of Social Services.

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 California, eligibility is capped at 70% of State Median Income (SMI). This means that a family of 3 is eligible for a subsidy if they make: $4,340 or less per month ($52,080 per year).

### CCDBG and Mandatory Funds

- **$829,421,539** CCDBG and Mandatory Funds
- **$157,230,105** CCDBG State Match
- **$5,071,159,760** CCDBG COVID-Relief Allocations: CARES | CRRSA | ARPA (CCDF + Stabilization)

### 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 California, **30%** of children ages 0-6 are eligible for a CCDBG subsidy under federal rules on average each month.

However, of these children **92%** are not served due to insufficient federal funding.
CCDBG in COVID-19 Relief

Throughout the pandemic, there was strong bipartisan support for federal relief funding to keep the child care sector afloat. CCDBG was the primary mechanism for providing this relief to child care providers and ensuring access to child care for thousands of working families through CARES, CRRSA, and ARPA.

As of December 31, 2022:
- 50,115 child care programs in California received American Rescue Plan Stabilization support, impacting up to 311,500 children.

Providers in 100% of California counties have received funds, including:

- Most common use of funds: Personnel costs and keeping programs staffed.
- Most common use of funds: Rent and mortgage payments, typically their largest operating expense.

American Rescue Plan Act Spending Spotlight

Funds have been used to support and stabilize the workforce through wage bonuses. Eligible early educators could receive a one-time payment of $600. Funds have also been used to increase reimbursement rates for providers.

Federal pandemic relief funding, which buttressed an already struggling child care market, expires in September 2024. As this temporary funding expires, Congress must come together to strengthen and invest in our federal early learning and care programs so families can access the reliable, high-quality, affordable child care they depend on.

Provider Reimbursements

ACF recommends that Lead Agencies set provider reimbursement rates at the 75th percentile of the market rate. This is the price the lowest 75% of child care programs included in the market rate survey reported charging.

However, market rates often do not reflect the actual costs of providing high-quality care as programs must charge what families can afford in order to fill slots. Therefore, there is a significant gap between how much providers are reimbursed and how much it costs to provide care. Find answers to the most frequently asked questions about provider reimbursement rates here.

Provider Reimbursement Rates in California

In percentiles of market rate

<table>
<thead>
<tr>
<th>Setting</th>
<th>Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant</td>
<td>75</td>
</tr>
<tr>
<td>Toddler</td>
<td>75</td>
</tr>
<tr>
<td>Preschool</td>
<td>75</td>
</tr>
</tbody>
</table>

California reimburses at the federally recommended reimbursement rate. Higher payment rates are critical in supporting providers to stay financially afloat and provide high-quality learning experiences. They also help low- and middle-income working families afford quality child care.

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Families that don't receive subsidies pay significantly higher costs.

For instance, center-based infant care ranges in price from:
- $880 per month in Del Norte County
- $2,231 per month in San Francisco County

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

50,115 child care programs in California received American Rescue Plan Stabilization support, impacting up to 311,500 children.

Providers in 100% of California counties have received funds, including:

- 4,510 child care centers
- 45,605 family child care homes

Most common use of funds: Personnel costs and keeping programs staffed.

Most common use of funds: Rent and mortgage payments, typically their largest operating expense.

American Rescue Plan Act Spending Spotlight

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1. Census
2. Ibid.
3. Office of Child Care (OCC), “FY2020 CCDF Preliminary Data Tables”
5. Ibid
6. Ibid
7. Ibid
8. OCC, “FY2019 Preliminary Data Tables”
10. Ibid
11. Ibid
12. Ibid
13. Ibid
15. Ibid
17. United States Women’s Bureau, “National Database of Child Care Prices”
18. United States Women’s Bureau, “National Database of Child Care Prices”
19. Market basket survey (MBS), which must be completed every three years, examines the fees that child care providers charge for services in the priced market.
20. United States Women’s Bureau, “National Database of Child Care Prices”
21. FY2019 Preliminary Data Tables, OCC
22. California Department of Education