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

**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 Ohio, 38% of children ages 0-6 are eligible for a CCDBG subsidy under federal rules on average each month. However, of these children 90% are not served due to insufficient federal funding.

**CCDBG by the Numbers in Ohio**

- **826,058** Children Under 6
- **67%** Population Under 6 with All Parents in the Workforce
- **35,406** Children Ages 0-6 Served by CCDBG and Mandatory Funds
- **5,533** Providers Accepting CCDBG Subsidies
- **63%** Children Currently Served by CCDBG Who Are Under the Age of 6
- **$315,640,284** CCDBG and Mandatory Funds
- **$25,093,054** CCDBG State Match
- **$1,749,763,637** 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 Ohio is the Ohio Department of Job and Family 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 Ohio, eligibility is capped at 40% of State Median Income (SMI). This means that a family of 3 is eligible for a subsidy if they make $2,252 or less per month ($27,024 per year).
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:

- 6,265 child care programs in Ohio received American Rescue Plan Stabilization support, impacting up to 399,300 children.

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

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

**American Rescue Plan Act Spending Spotlight**

Funds have been used to support and stabilize the workforce through the Hero Pay grant, where eligible child care professionals received up to $1,200 in phase one (October 2020-September 2021) and up to $3,000 in phase two (September 2022-February 2023).

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.

In Ohio, 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. Census
3. Office of Child Care (OCC), “FY2020 CCDF Preliminary Data Tables”
4. Administration for Children and Families (ACF), “FY2020 Preliminary Data Table 2 - Income Eligibility at 100% of FPL of Families with Children”
5. OCC, “FY2019 Preliminary Data Table 4 - Child Care Subsidies for Families below Poverty”
7. Ibid.
8. OCC, “FY 2020 Preliminary Data Table 7 - Number of Child Care Providers Receiving CCDF Funds”
9. OCC, “FY 2020 Preliminary Data Table 9 - Average Monthly Percentages of Children in Care by Age Group”
11. ACF, “TANF Financial Data - FY2021”
13. Ibid.
14. ACF, “ECE State Profiles” Data from 2019
15. Ibid.
16. 100% of the federal poverty level is $23,030 annually
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 rate surveys (MRS), which must be completed every three years, examine the fees that child care providers charge for services in the priced market.
20. OCC, “CARES Act CCDBG Supplemental Funding Allocations for States and Territories”
21. Ibid.
22. Groundwork Ohio