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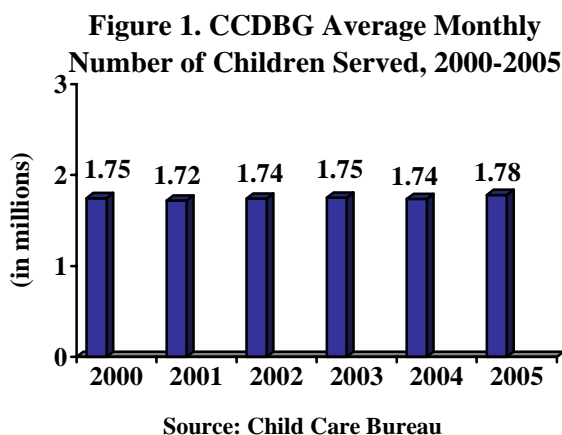
Child Care and Development Block Grant Participation in 2005

September 7, 2006

Last month, the Child Care Bureau released preliminary estimates of fiscal year 2005 administrative data for the Child Care and Development Block Grant (CCDBG).¹ This fact sheet provides a snapshot of the CCDBG program participation in 2005, noting the great variability in child care assistance programs among states. More information, including individual state data, is available on the Child Care Bureau Web site. Participation is just one of several significant variations among state child care programs. This is due in part to states' different policy choices in the provision of assistance. Policymakers and advocates are encouraged to obtain the most recent information about their state—including data on participation, expenditures, income eligibility criteria, and provider reimbursement rates—to evaluate the full range of child care assistance policies.

A snapshot of CCDBG participation in 2005:

The number of children receiving CCDBG assistance has been flat since 2000.



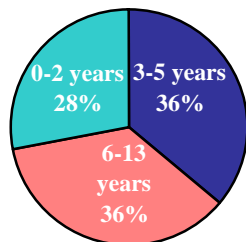
CCDBG served a monthly average of 1.78 million children in 2005, an increase of 43,600 children from 2004.² Overall, the number of children served by CCDBG has remained relatively flat since 2000 (see Figure 1). State data on children served vary. While 30 states increased the number of children served, 20 states and the District of Columbia served fewer children in 2005 than in 2004. For example, New York served 12,500 fewer children in 2005, while Michigan served 34,800 more children.

Note: The data in this fact sheet are based on children who received CCDBG-funded child care assistance in 2005. Participation data on children who received assistance through other sources of funding, including the Temporary Assistance to Needy Families (TANF) block grant, are not available.

¹ See U.S. Department of Health and Human Services, Child Care Bureau, *FFY 2005 CCDF Data Tables (Preliminary Estimates)*, www.acf.hhs.gov/programs/ccb/data.

² An estimated 2.2 million children received child care assistance from all sources—including CCDBG, TANF, and SSBG—in 2005. www.whitehouse.gov/omb/budget/fy2007/pdf/spec.pdf.

Figure 2. Ages of Children Served in CCDBG, 2005



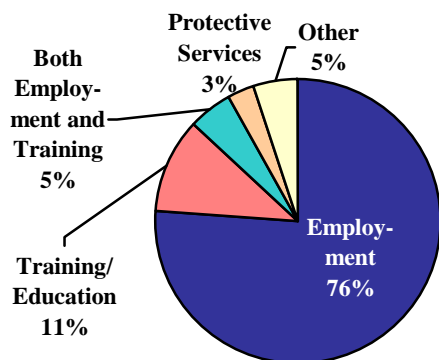
CCDBG serves children from birth to age 13. Fewer than a third of children served in 2005 were under age 3, while the 3-5 and 6-13 age groups comprised more than one-third each (see Figure 2). This breakdown has been fairly consistent over time.

More than half of children are in center-based care. CCDBG allows families to select the child care provider of their choice. In 2005, 58 percent of children were served in center-based care, 28 percent in family child care homes, 8 percent in their own homes, and 4 percent in group homes. Seventy-three percent were served in licensed or regulated care. Among children served in legally operating, non-regulated settings, 56 percent were in relative care—up 6 percent from 2004.

Vouchers are the most common type of payment for care. In 2005, 85 percent of children received CCDBG assistance through vouchers or certificates. Eleven percent of children were served through grants or contracts, and 4 percent were served through cash payments. Contracts, which are formal agreements between a state and a provider to serve a set number of children, are a way to guarantee that families can successfully find the care they need—particularly in communities without an adequate supply of child care.³ While most states do not use contracts, California, Connecticut, Florida, Hawaii, and Maine serve 30 percent or more of participants through contracts.

Most families receiving CCDBG are working, low-income, and providing co-payments. The vast majority of families receive CCDBG assistance because they are working; 92 percent are working and/or in education or training programs (see Figure 3).

Figure 3. Percentages of Families by Reason for Receiving CCDBG Assistance, 2005



Though most families work, they are very low-income. In 2003, median monthly income for families receiving CCDBG was \$1,255, and over half of families had incomes below the federal poverty level.⁴

In 2005, 19 percent of CCDBG families received TANF assistance.

Sixty-one percent of CCDBG families paid co-payments for care. The mean co-payment amount was 6 percent of family income.

³ Schumacher, Rachel; Irish, Kate; and Greenberg, Mark. *Untapped Potential: How States Contract Directly with Providers to Shore Up Child Care Choices*. 2003.

⁴ Child Care Bureau. *Child Care and Development Fund Report to Congress for FY 2002 and FY 2003*. 2006. <http://www.acf.hhs.gov/programs/ccb/ccdf/rtc/index.htm>. Income data for 2005 are not available.