

# Child Care 101

## What is the Child Care and Development Block Grant (CCDBG)?

Established in 1991, CCDBG is the primary federal grant program that provides child care assistance for families in need. CCDBG is administered to states in block grants and is used to subsidize child care for working families with low incomes. Most of this assistance is administered through vouchers or certificates, which can be used by parents to select the high-quality provider or program that works best for their family.

Congress reauthorized this funding with overwhelming bipartisan support under the CCDBG Act of 2014. Key provisions from this reauthorization included stronger health and safety requirements, improving the quality of care with supports for providers, and providing more accessible child care assistance for families. Congress has increased discretionary funding for CCDBG in recent years to help states continue to meet the new requirements from the 2014 reauthorization, and most recently provided a \$85 million increase over FY 2020 for a total of \$5.911 billion in federal discretionary funding for FY 2021.

In response to the COVID-19 pandemic, [Congress provided further investments to CCDBG in 2020](#) totaling \$13.5 billion across two separate pieces of legislation. Congress first provided \$3.5 billion in relief for child care under the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act in March 2020. In December 2020, the Consolidated Appropriations Act of 2021 provided an additional \$10 billion in relief funds in addition to the full-year funding increase. Despite these recent investments to CCDBG, child care providers continue to struggle to make ends meet and many families are unable to access quality child care. While these are issues that existed before the pandemic, they have been exacerbated by the current crisis.

## What are CCR&Rs?

Located in 47 states, [Child Care Resource and Referral \(CCR&R\)](#) agencies are the eyes and ears of America's child care system. As their primary function, CCR&Rs increase access to high-quality, affordable child care by serving as a resource hub for families, child care professionals and communities. In this role, CCR&Rs can, among many other functions:

- Serve as a single point of access for child care program referrals and consumer education, financial assistance programs, and services for children with special needs;
- Act as an intermediary between Head Start, Pre-K and child care communities;
- Facilitate public/private sectors partnerships to increase investments in child care;
- Assist child care providers with mentoring and onsite technical assistance;
- Inform providers about scholarships and grants to increase educational attainment;
- Connect families to services, such as health insurance and food assistance programs;
- Maintain comprehensive child care databases to report on child care supply, demand, cost and quality; and
- Support implementation of CCDBG.

# What Can Policymakers Do to Support Child Care in 2021?

Policymakers at the state and federal levels can help child care survive the pandemic by ensuring existing relief funds are distributed quickly to give providers some stability. Given the uncertainty of the virus and its inevitable and ongoing effect on the economy, states may feel the need to retain funds in a “rainy day fund,” but this only continues to hurt the ability of child care providers to stay in business. CCR&Rs, who are trusted organizations within their communities, can be tapped by states to assist with ensuring funds, needed supplies, and information are distributed efficiently and reach all types of child care settings.

Increased funding for FY 2021 and targeted funds included in both federal relief packages in 2020 will help providers address the financial burdens associated with increased operating costs and decreased enrollments that have occurred throughout the pandemic. But this infusion of additional funds only provides temporary short-term relief and more funding is needed in 2021 to ensure that child care programs survive in the long term. Federal policymakers must continue to include child care in subsequent federal relief packages in 2021 as the nation works to overcome COVID-19. Without further meaningful federal investment in child care, our nation’s economic recovery may be imperiled by barriers for parents as they return to work. State policymakers can play an important role here too in having conversations with their federal counterparts to ensure they understand the current landscape of child care in their communities and why additional relief is needed.

Beyond recovery, there are long term improvements that need to be made to address problems that existed in child care prior to the pandemic. In keeping with the trend of the past few years, more increases in full-year funding will be needed for FY 2022. Additionally, policymakers can help ensure the longevity of child care by supporting legislation that improves accessibility, affordability and quality.

For more bold ideas to transform child care, read Child Care Aware® of America’s report [Transforming Child Care: Cross-Community Voices to Inform Change](#).

