

CHILD CARE

FACT SHEET

Additional Child Care Funding is Essential to Stop State Cuts

Many families today are at risk of losing the child care assistance that helps maintain their financial stability and ensure the well-being of their children. Through 2010, most states managed to maintain their child care assistance programs, largely thanks to an additional \$2 billion in federal Child Care and Development Block Grant (CCDBG) funding for 2009 and 2010 from the American Recovery and Reinvestment Act (ARRA). However, with only a portion of these ARRA funds being continued, and with persistent state budget gaps, many states are scaling back child care assistance for families. Families in 37 states were worse off under one or more state child care assistance policies—due to more restrictive eligibility criteria, longer waiting lists, lower provider reimbursement rates, or higher parent copayments—in 2011 than in 2010.¹ And this negative trend has continued into 2012.

The cuts to child care assistance will only widen the existing gap between low-income families' need for help paying for care and the availability of help, especially given that number of low-income families (incomes under 200 percent of poverty) with children under age six has increased from 6.99 million in 2007² to 7.54 million in 2009 (the most recent year for which data are available).³ These cuts force low-income parents to find a way to pay for child care themselves while struggling to pay other bills or prevent them from getting the reliable child care they need to work. The cuts cause children to lose access to the stable, good-quality child care that encourages their learning and development and prepares them for success in school, in a career, and in life. The cuts also can make it difficult for child care programs to fill their classrooms, leading them to lay off staff or close their doors entirely.

- **California's** governor has proposed to reduce spending for child care and early education by \$517 million, which would deprive 62,000 children of the opportunity to participate in these programs. Under the proposed funding cuts, the income eligibility limit for child care assistance would be reduced from 70 percent of state median income (\$42,216 a year for a family of three) to 200 percent of the federal poverty level (\$38,180 a year for a family of three). In addition, families who do not work a required number of hours would lose child care assistance. Reimbursement rates for child care providers serving families receiving child care assistance would be reduced as well.
- **Florida** has over 75,000 children on its waiting list for child care assistance.
- **Maine's** governor has proposed child care funding cuts that would eliminate child care assistance for half of the families currently receiving them. The governor also proposed to cut state supplemental funding for Head Start, which would reduce the number of children currently enrolled in the program by 10 percent.

- **Maryland's** waiting list for child care assistance, started in February 2011, had grown to over 16,800 children as of February 2012.
- **Massachusetts'** waiting list for child care assistance has 29,500 children on it.
- **Nevada** has reduced child care funding, resulting in 1,300 children losing child care assistance this fiscal year.
- **Pennsylvania's** governor proposes to cut the child care budget by over \$24 million, or 7.4 percent from the enacted FY 2011-12 budget. The waiting list for child care assistance already has nearly 10,000 children on it, and the governor's proposal would result in 3,000 fewer children receiving child care assistance. The budget proposal would also reduce reimbursement rates for unregulated relative and neighbor care. In addition, regulatory changes effective July 2012 will reduce the number of days a child can be absent before child care assistance is suspended from 10 days to five days, and establish a cap on the annual number of absent days that can be reimbursed. The revised regulations will reduce the number of days a parent can continue to receive child care assistance after an involuntary job loss from 60 days to 30 days as well.
- **New York City's** mayor has proposed a budget for FY 2013 that, together with planned systemic changes, would result in 15,900 children losing their child care program and 31,800 children losing their after-school program as of September 2012. More than 43,000 children in New York City have already lost access to affordable child care and after-school programs since 2009. Other counties in New York have made or proposed child care cuts as well. For example, in Westchester County, the county executive is proposing steep increases in copayments for families receiving child care assistance.

The President's budget proposal for FY 2013 would increase funding for CCDBG by \$825 million to prevent a further decline in the number of children receiving child care assistance and to support a new quality improvement initiative. Even with the proposed increase in funding, CCDBG would only serve 1.5 million children, below the 1.7 million children served in 2010.

- 1 Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2011: Reduced Support for Families in Challenging Times* (Washington, DC: National Women's Law Center, 2011), available at http://www.nwlc.org/sites/default/files/pdfs/state_child_care_assistance_policies_report2011_final.pdf.
- 2 U.S. Census Bureau, Current Population Survey, 2008 Annual Social and Economic Supplement, Detailed Table POV08: Families With Related Children Under 6 by Number of Working Family Members and Family Structure: 2007, available at http://www.census.gov/hhes/www/macro/032008/pov/new08_200_01.htm.
- 3 U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement, Detailed Table POV08: Families With Related Children Under 6 by Number of Working Family Members and Family Structure: 2009, available at http://www.census.gov/hhes/www/cpstables/032010/pov/new08_200_01.htm.