


FY2018 Federal Budget Contains An Easter Egg for Working Families with I

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Written by: Anna Thomas


In March, Congress finally passed a federal budget for FY2018, and President Trump actually signed it, despite his threats. Yes, FY2018 ends in six months, which is indeed a terrible way to budget, but the point of this post is to discuss some of the GOOD NEWS in the omnibus spending bill. We need to celebrate a key funding victory for a few minutes before we start fighting over FY2019.

That victory is:  [the largest increase in funding for the Child Care and Development Block Grant \(CCDBG\) in history, as well as increased funding for other important programs that benefit kids through education and childcare.](#)

If you're not familiar with the world of CCDBG, it is a major source of funding for programs, delivered at the state level, that help low-income working families obtain accessible, affordable and high-quality childcare. In the FY2018 budget, CCDBG received a record boost of \$2.37 billion in discretionary funding, bringing overall federal CCDBG funding to more than \$8 billion.

What does this increase in CCDBG funding mean for Utah kids?

First, a few quick facts about our state's childcare sector:

1. Utah has a  [critical shortage of affordable, accessible childcare](#) (of *any* quality).
2. Childcare in Utah (in particular for infants) is *more expensive* than tuition at most of Utah's four-year universities.
3. Utah, unlike many other states, does *not* have a waiting list full of families waiting to receive financial subsidies for childcare.
4. Utah's Office of Child Care is currently laboring to fulfill the important but *unfunded* mandates in the 2014 reauthorization of CCDBG.

As per points #1 and 2, Utah desperately needs more affordable licensed childcare – for families of *all* income levels, but especially for low-income families. That said, according to the Office of Childcare (OCC), all the eligible low-income families who

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currently apply for childcare subsidies, are able to receive them in a timely manner (hence, point #3). In many other states, that is not the case, and the historical increase in CCDBG funding may allow waiting families in those states to access childcare subsidies they desperately need in order to be part of the workforce.

Which brings us to point #4.

In [2014, federal CCDBG reauthorization](#) dictated that states make a number of changes to their childcare subsidy and support programs. The point of these changes was to make childcare across the country safer (physically and emotionally) and more effective (in terms of school-readiness and emotional development). The mandated changes, however, were not accompanied by an increase in funds to implement them.

For the last several years, despite the lack of funding, Utah's Office of Childcare (OCC) has been working to implement the 2014 reauthorization changes, which include: tighter mandatory fingerprinting rules, a quality rating system tied to tiered childcare subsidies, and rigorous staff development expectations. Childcare providers are trying to understand how they can offer the high-quality child care OCC is requesting, without completely breaking their already strained budgets.

There is a lot of legitimate concern about how the critically-important but under-supported childcare sector, with its high staff turnover and low profit margins, will manage all these new demands. Hence, new federal childcare dollars coming to our state likely will be directed at these ongoing sector improvements. The increased CCDBG funding should make a big difference to propelling the implementation of the 2014 reauthorization requirements, already underway, forward.

That's good news for Utah families, as it will hopefully avert further shrinking of the sector. Licensed childcare providers have been dropping out of the Utah market in significant numbers over the past several years. Obviously, this has only exacerbated the issues of accessibility and affordability. One very possible reason for this attrition is that while regulatory demands on providers have increased (related to subsidy programs, as well as licensing), profits and pay for childcare professionals have not kept pace.

Under current conditions, it is simply not financially feasible to offer the quality of

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childcare that providers are being asked to bring to the market. Cost-sharing/saving measures on the provider side of the equation can only go so far, and there is insufficient government subsidization of the market to overcome the remaining budget shortfall.

The increase in CCDBG funding will help to begin to bridge the gap. Utah's OCC will be able to offer sufficient levels of technical support for providers seeking to offer high-quality care – including changes to physical childcare environments and enhanced professional development for on-the-ground professionals. The new funding will also enable meaningful increases in the childcare subsidy amounts that can be applied toward high-quality childcare placements for low-income families.

Even as increased CCDBG funding flows down into our state programs, the sector continues to struggle with unrealistically low pay in the face of extremely high expectations. Because affordable, accessible childcare is critical to the success of Utah's workforce and the future of our economy, these and other issues related to our childcare sector demand continued attention. Expect an extensive white paper from Voices for Utah Children, on the state of Utah childcare, by...around the end of federal FY2018.