



SOCIAL SERVICES BLOCK GRANT FISCAL YEAR 2015 FOCUS REPORTS

DAY CARE – CHILDREN

BACKGROUND AND HISTORY

This focus report provides an overview of the Total Social Services Block Grant (SSBG) Expenditures for and recipients of the SSBG Service Category Day Care – Children in fiscal year (FY) 2015. The report also reviews changes in Total SSBG Expenditures from FY 2011 to FY 2015 for Day Care – Children.

States have substantial discretion in the use of SSBG funds and may determine what services to provide, who is eligible to receive services, and how funds are used. States may use SSBG funds to provide child care services for infants, toddlers, preschoolers, and school-aged children.¹ Services may include direct child care services, subsidies for the provision of child care, and support services for children and caregivers. The Uniform Definition of Services defines Day Care – Children and stipulates that funded services and supports may include:²

- comprehensive developmental activities;
- recreation;
- meals and snacks;
- transportation;
- health support services;
- counseling for parents; and
- licensing and monitoring of facilities.

The federal government provides funding to states specifically for the provision of child care through the Child Care and Development Fund (CCDF). CCDF assists low-income families, families receiving temporary public assistance, and those transitioning off public assistance, in obtaining child care so they can work, attend training, or further their education. In FY 2015, CCDF expenditures totaled approximately \$7.1 billion to states, territories, and tribes.³ Other child care funding sources include the Temporary Assistance for Needy Families (TANF) block grant, and state funds. The CCDF is the primary source of federal funding for child care, with broad discretion by the states on how these funds are utilized.⁴

¹ For purposes of this report, “states” include the 50 states, the District of Columbia, and Puerto Rico.

² Definition from Appendix A to 45 C.F.R. Part 96—Uniform Definition of Services, Federal Register, Volume 58, Number 218, Monday, November 15, 1993. SSBG service definitions can be found on the Office of Community Services website: <http://www.acf.hhs.gov/programs/ocs/resource/uniform-definition-of-services>.

³ U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care. CCDF State Spending Under the Fiscal Year 2015 Appropriation as of 9/30/2015. Retrieved from <https://www.acf.hhs.gov/occ/resource/ccdf-state-spending-under-the-fy-2015-appropriation-as-of-9-30-2015>

⁴ Child Care Aware of America. (2017). Child Care in America: 2016 State Fact Sheets. Retrieved from <http://usa.childcareaware.org/wp-content/uploads/2016/07/2016-Fact-Sheets-Full-Report-02-27-17.pdf>



It is estimated that more than 15 million American children under the age of six require child care, with more than \$10 billion in government assistance being expended by states for these services.⁵ Furthermore, the annual average cost of full-time child care in FY 2014 ranged from approximately \$4,000 to \$17,000 depending on the age of child, where the family lived, and the type of care.⁶

The following sections detail the Total SSBG Expenditures for and recipients of Day Care – Children in FY 2015.

HIGH LEVEL SERVICE AREA EXPLANATION

The Office of Community Services (OCS) has grouped the 29 SSBG Service Categories (including “Other Services”) into eight SSBG High Level Service Areas (HLSA) to facilitate the evaluation and analysis of data related to services and individuals served. A review of the Uniform Definition of Services determined service area groupings to identify related categories. The Day Care – Children HLSA is comprised of a single SSBG Service Category, Day Care – Children. As the HLSA and SSBG Service Category are one and the same, the use of Day Care – Children as either the name of the HLSA or the SSBG Service Category will be interchangeable throughout this report.

EXPLANATIONS OF EXPENDITURES AND RECIPIENTS

The following section provides definitions of several terms used throughout this report. In this report, “states” include the District of Columbia and the Commonwealth of Puerto Rico.

Total SSBG Expenditures: Total SSBG Expenditures refer to the sum of two separate funding sources reported by states, expenditures of the SSBG allocation (referred to as SSBG Expenditures; see below) and expenditures of the funds transferred into the SSBG from the TANF block grant (referred to as TANF transfer funds; see below).

SSBG Expenditures: States report dollars from the SSBG allocation spent for services and administrative costs.⁷

TANF Transfer Funds: States report any expended dollars transferred from the TANF block grant into the SSBG. A state may transfer up to 10 percent of its annual TANF block grant allocation into its SSBG program.^{8,9}

Other Federal, State, and Local Funds: States report the total amount of other federal, state, and local funds spent for each service supported in whole or in part with Total SSBG Expenditures. States do not report other federal, state, and local funds for services in which no Total SSBG Expenditures are reported.¹⁰

⁵ Child Care Aware of America. (2017). Child Care in America: 2016 State Fact Sheets. Retrieved from <http://usa.childcareaware.org/wp-content/uploads/2016/07/2016-Fact-Sheets-Full-Report-02-27-17.pdf>

⁶ Ibid.

⁷ The total reported amount may differ from the amount of the annual SSBG allocation if the full amount was not expended in the fiscal year during which it was allocated, or if a portion of the SSBG allocation from the previous year was expended during the reporting year.

⁸ The original welfare reform law (P.L. 104-193) set the limit on transfers from TANF to SSBG at 10 percent of the TANF block grant. P.L. 105-178 (Transportation Equity Act for the 21st Century) reduced funding for SSBG and the transfer authority from TANF to SSBG to 4.25 percent, effective FY 2001. TEA also established a new, lower SSBG funding ceiling of \$1.7 billion starting in FY 2001. However, annual appropriation bills and temporary extension legislation (that continued TANF on the terms of previous years) have provided for a 10 percent transfer limit for FY 2001 and each subsequent fiscal year.

⁹ Funds transferred from TANF to SSBG are to be used only for programs or services to children or their families whose income is less than 200 percent of the income poverty guideline applicable to a family of the size involved (as defined and revised annually by the Office of Management and Budget). – 42 U.S.C. §604(d)(3)(B).

¹⁰ Other federal, state, and local funds do not appear in calculations or in the narrative of this report when discussing Total SSBG Expenditures. However, states report on these other funds to indicate a more accurate total cost of service provision.

Recipients: States report the actual or estimated number of adult and child recipients for each service category funded, in whole or in part, with Total SSBG Expenditures.^{11,12}

TOTAL SSBG EXPENDITURES



This section provides an overview of the Total SSBG Expenditures for Day Care – Children and highlights notable data points regarding specific states.

In FY 2015, 30 states expended nearly \$238 million to support child day care programs. This accounts for 10 percent of all Total SSBG Expenditures making Day Care – Children the fourth largest HLSA by Total SSBG Expenditures.

FIGURE 1.
Total SSBG Expenditures for Day Care – Children, Top 5 States

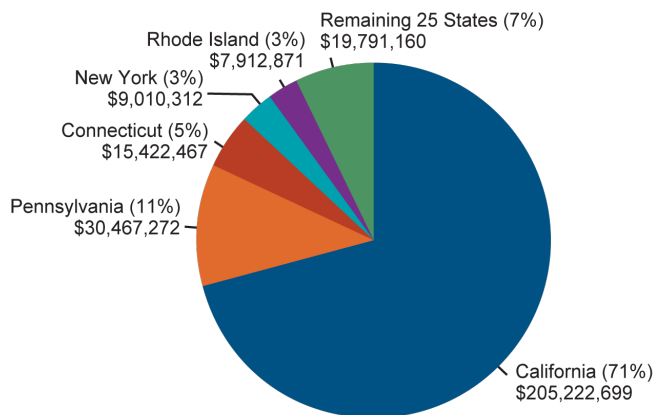


Figure 1 shows the five states with the highest Total SSBG Expenditures for this HLSA and the proportion spent by the remaining states combined. California expended 71 percent (\$205 million) of all Total SSBG Expenditures for Day Care – Children with Pennsylvania expending the second largest amount of funds at only 11 percent (\$30 million). California received \$190 million in their SSBG allocation for FY 2015, 12 percent of the entire FY 2015 SSBG allocation. Even with 71 percent of Total SSBG Expenditures for Day Care – Children, expenditures for this HLSA only accounted for 38 percent of California's intrastate Total SSBG Expenditure. The five states that had the highest percentage of their intrastate Total SSBG Expenditures for Day Care – Children were Rhode Island (65 percent), Vermont (49 percent), California (38 percent), Connecticut (35 percent), and Pennsylvania (32 percent).

¹¹ In reporting recipient and expenditure data, each state must report actual numbers of recipients and actual expenditures when this information is available. For purposes of this report, each state should, if possible, count only a single recipient for each service. States should also consider a service provided to a recipient for the length of the reporting period (one year) or any fraction thereof as a single service. Data based on sampling and/or estimates will be accepted when actual figures are unavailable. Each state must indicate for each service whether the data are based on actual figures, sampling, or estimates and must describe the sampling and/or estimation process(es) it used to obtain these data in the annual report. Each state must also indicate, in reporting recipient data, whether the data reflects an unduplicated count of recipients. – 45 C.F.R. §96.74(b)(3).

¹² Each state must use its own definition of the terms "child" and "adult" in reporting

The average percent of intrastate expenditures across states with more than zero Total SSBG Expenditures for Day Care – Children was eight percent. **Figure 2** contains a list of the 22 states that did not expend any of their Total SSBG Expenditures for Day Care – Children.

FIGURE 2.
Zero Total SSBG Expenditures for Day Care – Children

STATE NAME
ALASKA
DELAWARE
GEORGIA
HAWAII
INDIANA
IOWA
KENTUCKY
LOUISIANA
MAINE
MARYLAND
MICHIGAN
MISSISSIPPI
MISSOURI
MONTANA
NEVADA
NEW HAMPSHIRE
NEW MEXICO
NORTH CAROLINA
NORTH DAKOTA
OREGON
PUERTO RICO
VIRGINIA

TOTAL RECIPIENTS

This section provides an overview of the recipients of Day Care – Children in FY 2015.

One of the primary functions of day care is to provide a safe environment for children while their parent(s) or guardian(s) goes to work. Without this service, many parents would be unable to maintain employment and provide for their families. In FY 2015, there were over 3.7 million recipients of Day Care – Children. **Figure 3** shows the five states that provided Day Care – Children services to the most recipients. California reported the most recipients by far with just over 2.1 million, 57 percent of all recipients of Day Care – Children. Florida reported the second most recipients with 21 percent of the total reported recipients.

FIGURE 3.
Recipients of Day Care – Children, Top 5 States

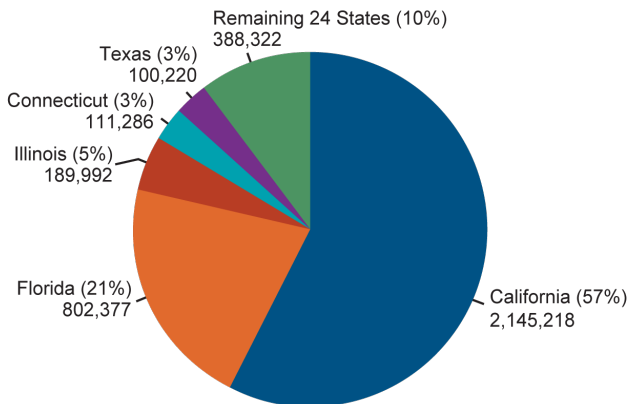


Figure 4 contains a list of the states where recipients comprised more than 50 percent of their intrastate recipient totals. Twenty-three states reported zero recipients of Day Care – Children (see **Figure 5**).¹³

FIGURE 4.
**More than 50% of Total Intrastate Recipients
for Day Care – Children**

STATE	Percent
DISTRICT OF COLUMBIA	84%
CALIFORNIA	77%
ALABAMA	64%
SOUTH DAKOTA	54%
OKLAHOMA	53%

FIGURE 5.
Zero Total Recipients for Day Care – Children

STATE NAME
NEBRASKA
ALASKA
DELAWARE
GEORGIA
HAWAII
INDIANA
IOWA
KENTUCKY
LOUISIANA
MAINE
MARYLAND
MICHIGAN
MISSISSIPPI
MISSOURI
MONTANA
NEVADA
NEW HAMPSHIRE
NEW MEXICO
NORTH CAROLINA
NORTH DAKOTA
OREGON
PUERTO RICO
VIRGINIA

¹³ Nebraska reported Total SSBG Expenditures for Day Care – Children, but no recipients. These funds were included in the state childcare pool so that families could qualify for USDA Food Program subsidies. Nebraska did not report explicit recipient counts for this service in FY 2015.

FY 2011 TO FY 2015

This section provides data on Total SSBG Expenditures for Day Care – Children from FY 2011 to FY 2015.

Figure 6 displays the amount of Total SSBG Expenditures for each year.

FIGURE 6.

Total SSBG Expenditures: Day Care – Children, FY 2011 to FY 2015

YEAR	Total SSBG Expenditures
2011	\$339,089,941
2012	\$296,451,309
2013	\$307,327,592
2014	\$299,759,015
2015	\$287,826,781

EXPENDITURES



-15%

TOTAL SSBG EXPENDITURES FOR
DAY CARE – CHILDREN
DECREASED BY \$51.3 MILLION FROM FY 2011–FY 2015

SUMMARY

Overall, 30 states combined to spend nearly \$238 million providing Day Care – Children services to over 3.7 million recipients. Quality day care services allow parents to go to work and provide children with a safe environment and opportunities for social interaction.