

SSBG 2013 Focus Reports

CHILD CARE

This focus report provides an overview of the use of Social Services Block Grant (SSBG) expenditures for child care and the number of recipients in Federal fiscal year (FY) 2013. The report also provides an analysis of trends for SSBG expenditures and the number of recipients of child care between 2009 and 2013.

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.¹ States may use SSBG funds to provide child care services for infants, toddlers, preschoolers, and school age children. Services may include direct child care services, subsidies for the provision of child care, and support services for children and caregivers. The SSBG uniform definition of child care services stipulates that funded services and supports may include:

- comprehensive developmental activities
- recreation
- meals and snacks
- transportation
- health support services
- counseling for parents
- licensing and monitoring of facilities²

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 Federal

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

² 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>.



fiscal year 2013, \$5 billion was made available to States, Territories, and Tribes through CCDF.³ Many States use SSBG funds in addition to CCDF funds to provide child care services.

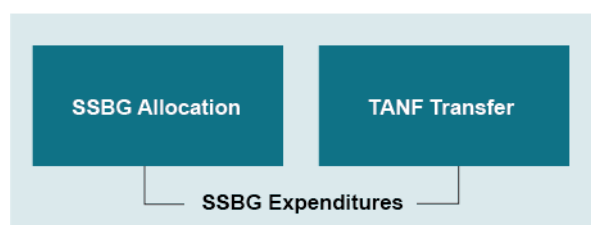
Safe, affordable, and dependable child care that promotes positive child development is an essential support for working families with young children. In addition to its economic importance, research has shown that quality child care can positively impact children's intellectual, linguistic, and social development, and long-term academic achievement.⁴

Child care costs are a major household expense for many parents and caregivers. It is estimated that more than 11 million American children under the age of five require child care due to working parents.⁵ Furthermore, the annual average cost of full-time child care in 2013 ranged approximately from \$4,000 to \$16,500 depending on the age of child, where the family lives, and the type of care.⁶

CHILD CARE SERVICES EXPENDITURES IN 2013

The SSBG program disburses funds to States in proportion to their population. In addition, a State may transfer up to 10% of its annual Temporary Assistance to Needy Families (TANF) block grant funds into its SSBG program.⁷ States report annually on SSBG expenditures and recipients in a post-expenditure report. SSBG expenditures are the expenditures of the SSBG allocation combined with TANF block grant funds transferred into the SSBG program (TANF transfer). (See figure 1.)

Figure 1
Expenditure Terminology



³ U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care. *FY2013 CCDF Allocations (Based on Appropriations)*. Retrieved from <http://www.acf.hhs.gov/programs/occ/resource/fy13-ccdf-final-allocations-including-realloted-funds>.

⁴ Vandell, D.L., Belsky, J., Burchinai, M., Steinberg, L., & Vendergrift, N. (2010). Do effects of early child care extend to age 15 years? Results from the NICHD study of early child care and youth development. *Child Development*, 81(3), 737-756.

⁵ Child Care Aware of America. (2013). Child Care in America: 2013 State Fact Sheets. Retrieved from http://www.nacerrra.org/sites/default/files/default_site_pages/2013/2013_state_fact_sheets_082013.pdf.

⁶ Ibid.

⁷ 42 U.S.C. §604(d)(3)(B).

In 2013, 31 States reported approximately \$307 million in SSBG expenditures for child care services, accounting for 13% of all SSBG expenditures in those States. TANF transfer funds accounted for 77% (\$237 million) of these SSBG expenditures. (See table 1.) States spent 10% of all SSBG expenditures on child care, making it the fourth largest service by share of expenditures of all 29 SSBG service categories in 2013.

Among the 31 States that reported SSBG expenditures for child care services, the percentage of States' total SSBG expenditures used for this purpose varied from less than 1% to 56%:

- Rhode Island used the largest percentage of SSBG expenditures for child care services (56%). The State reported approximately \$8 million in SSBG expenditures for child care services.
- Four additional States reported spending more than 20% of their SSBG expenditures on child care—California (37%), Connecticut (35%), Pennsylvania (32%), and Delaware (23%).⁸
- A majority of States (25) reported spending less than 10% of their total SSBG expenditures for child care services.

In 2013, States reported transferring \$1.3 billion from the TANF block grant to the SSBG program. Of this amount, 12 States spent \$237 million in TANF funds to support child care services. (See table 1.) TANF funds accounted for 77% of all SSBG expenditures for child care services. In three States, 100% of SSBG expenditures for child care were TANF transfer funds—Connecticut, Pennsylvania, and Texas.

The 31 States that reported SSBG expenditures for child care services also reported using approximately \$3.8 billion of other Federal, State and local funds for provision of child care.⁹ (See table 2.) States did not report the specific sources of these funds. However, it is likely that some, if not all, of these funds were from the CCDF.

CHILD CARE RECIPIENTS 2013

In 2013, 31 States reported approximately 3.9 million children receiving child care services paid for, in whole or in part, with SSBG funds.¹⁰ (See table 3):

- California served the largest number of children (2,288,176).
- Five other States provided SSBG funded child care services to more than 100,000 children—Florida (698,014), Illinois (174,510), North Carolina (117,729), Connecticut (107,787), and Texas (102,588).

⁸ California alone accounted for 69% of all SSBG expenditures by States for child care services.

⁹ States report the total amount of other Federal, State, and local funds spent for each service supported with SSBG expenditures.

¹⁰ Nebraska reported \$171,063 in expenditures for child care in order that child care providers could qualify for the USDA Food Program subsidy. The State did not report recipient numbers for this service.

- Another four States reported providing child care services to more than 20,000 children—Pennsylvania (91,119), Oklahoma (63,270), Arizona (44,135), and Alabama (30,094).

CHILD CARE EXPENDITURE TRENDS: 2009–2013¹¹

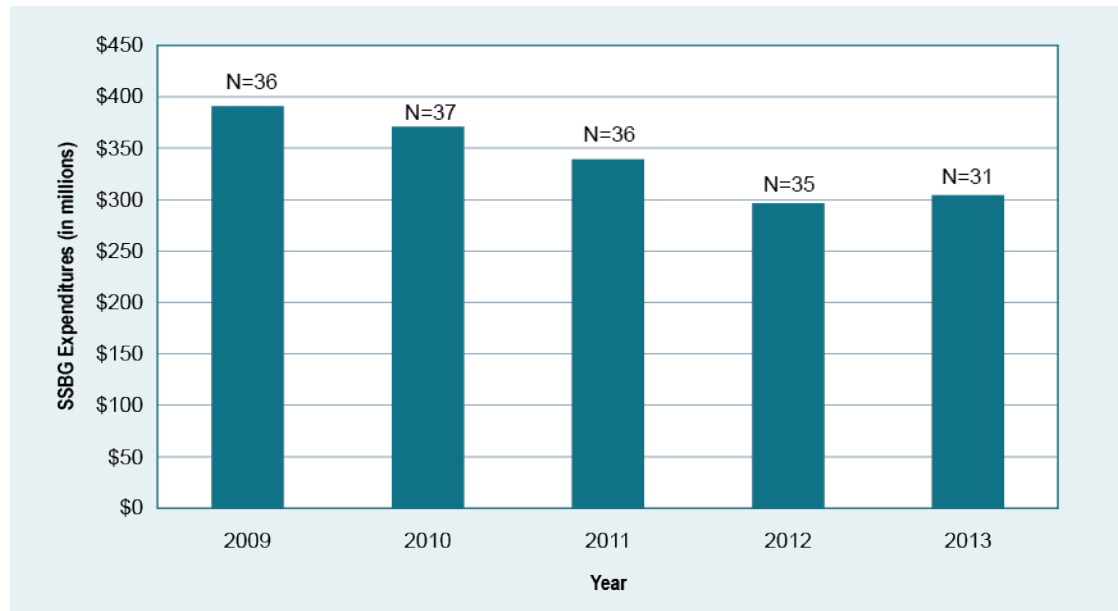
Between 2009 and 2013, SSBG expenditures for child care decreased 21% from \$391 million (36 States) in 2009 to \$307 million (31 States) in 2013. SSBG expenditures for child care in 2013 have increased slightly from a low of \$296 million (35 States) in 2012. (See figure 2.) During this time period, SSBG expenditures for child care as a percentage of SSBG expenditures for all services ranged from a high of approximately 14% in 2009 to a low of 10% in 2013. (See figure 3.)

TANF transfer funds have consistently comprised nearly three out of every four dollars in SSBG expenditures used to support the provision of child care. Between 2009 and 2013, the percentage of TANF funds transferred ranged from 72% to 78% of all SSBG expenditures for child care.

During the past five years, the number of child care recipients decreased from 2009 to 2012 (4.4 million to 3.7 million), and then increased slightly to 3.9 million in 2013. This equates to an overall decline of 13% in annual child care recipients between 2009 and 2013. (See figure 4.)

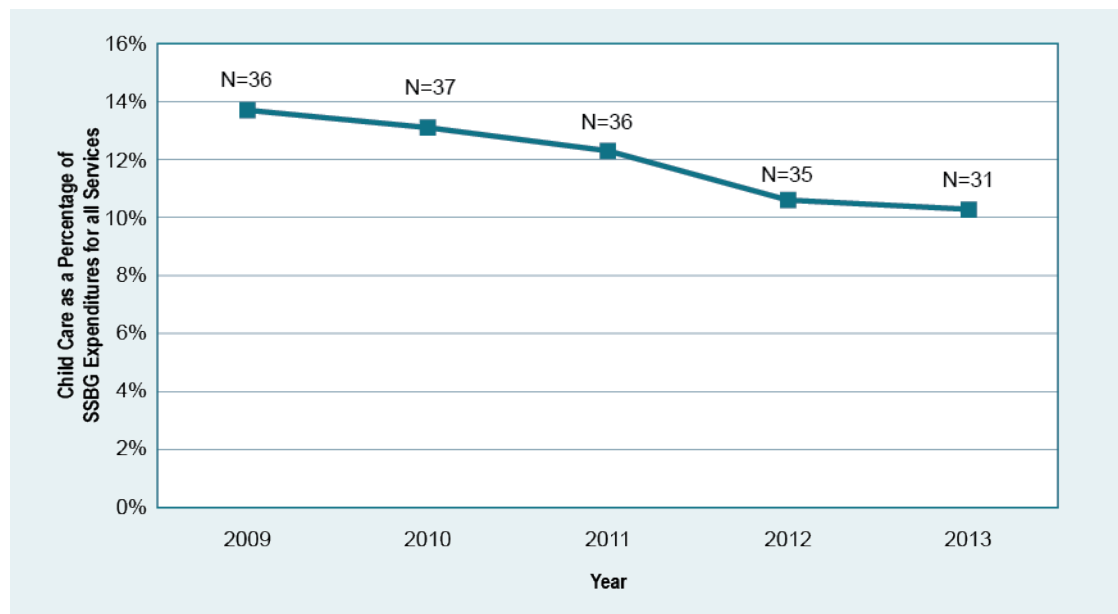
¹¹ Between the time SSBG Annual Reports are produced and the production of the SSBG Focus Reports, some States may update their expenditures data. As a result, some estimates may differ slightly between SSBG Annual Reports and SSBG Focus Reports.

Figure 2
SSBG Expenditures for Child Care Services, 2009–2013



N = Number of States reporting child care expenditures and recipients

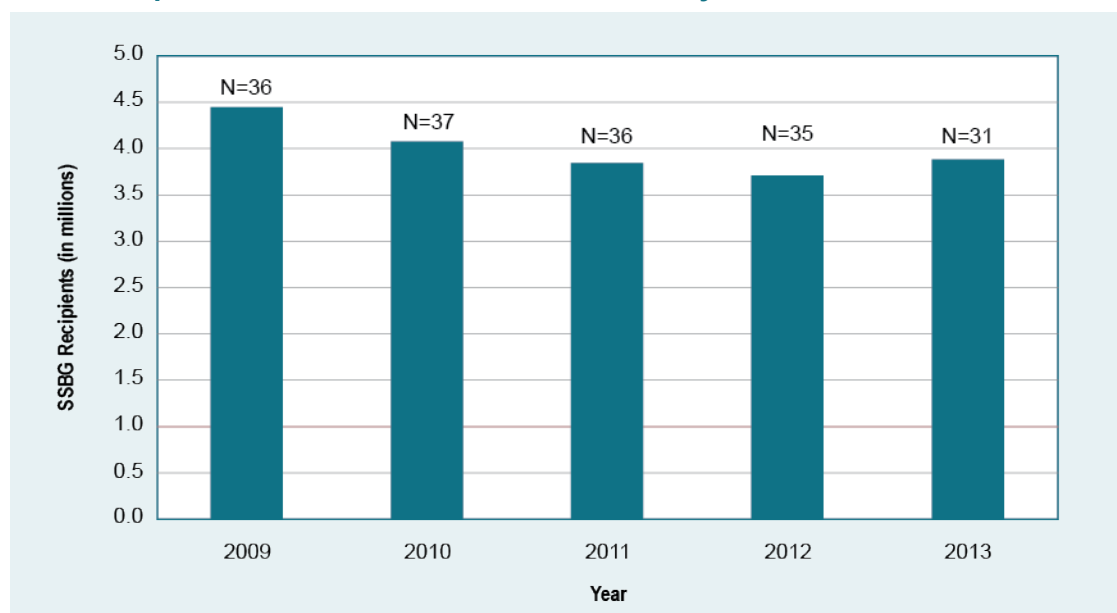
Figure 3
SSBG Expenditures for Child Care Services as a Percentage of All SSBG Expenditures, 2009–2013



N = Number of States reporting child care expenditures and recipients

Figure 4

Child Recipients of Child Care Services Funded by SSBG, 2009–2013



N = Number of States reporting child care expenditures and recipients

SUMMARY

In 2013, 31 States spent \$307 million on SSBG funded child care services that benefitted approximately 3.9 million children. TANF transfer funds accounted for more than three quarters (77%) of the reported SSBG expenditures. Rhode Island reported that more than 50% of their SSBG expenditures were used for child care services, while California accounted for more than two out of every three dollars in SSBG expenditures for child care. The child care services category accounted for the fourth largest percentage of SSBG expenditures of all 29 SSBG service categories. The 31 States that reported SSBG expenditures for child care services also reported approximately \$3.8 billion of other Federal, State and local funds for the provision of child care.

Between 2009 and 2013, SSBG expenditures for child care decreased by 21% and the number of recipients decreased by 13%. During this time period, the number of States reporting SSBG expenditures for child care decreased from 36 to 31.

Table 1
SSBG Expenditures for Child Care, 2013

| State | SSBG Allocation for Child Care | TANF Transfer for Child Care | SSBG Expenditures for Child Care | SSBG Expenditures for All Services | TANF Transfer as a Percentage of SSBG Expenditures for Child Care | Child Care as a Percentage of All SSBG Expenditures |
|----------------------|--------------------------------|------------------------------|----------------------------------|------------------------------------|---|---|
| Alabama | \$ 500,000 | \$ 0 | \$ 500,000 | \$ 30,812,196 | 0% | 2% |
| Alaska | \$ 0 | \$ 0 | \$ 0 | \$ 8,247,074 | 0% | 0% |
| Arizona | \$ 260,846 | \$ 0 | \$ 260,846 | \$ 66,123,261 | 0% | <1% |
| Arkansas | \$ 62,807 | \$ 0 | \$ 62,807 | \$ 16,373,663 | 0% | <1% |
| California | \$ 37,008,666 | \$ 173,722,000 | \$ 210,730,666 | \$ 567,779,981 | 82% | 37% |
| Colorado | \$ 100,000 | \$ 870,062 | \$ 970,062 | \$ 32,819,772 | 90% | 3% |
| Connecticut | \$ 0 | \$ 11,773,344 | \$ 11,773,344 | \$ 33,540,000 | 100% | 35% |
| Delaware | \$ 1,100,940 | \$ 0 | \$ 1,100,940 | \$ 4,748,985 | 0% | 23% |
| District of Columbia | \$ 219,784 | \$ 0 | \$ 219,784 | \$ 7,559,932 | 0% | 3% |
| Florida | \$ 3,070,701 | \$ 0 | \$ 3,070,701 | \$ 160,192,353 | 0% | 2% |
| Georgia | \$ 0 | \$ 0 | \$ 0 | \$ 50,535,344 | 0% | 0% |
| Hawaii | \$ 0 | \$ 0 | \$ 0 | \$ 13,186,229 | 0% | 0% |
| Idaho | \$ 27,330 | \$ 0 | \$ 27,330 | \$ 8,610,715 | 0% | <1% |
| Illinois | \$ 2,059,838 | \$ 1,200,000 | \$ 3,259,838 | \$ 69,348,120 | 37% | 5% |
| Indiana | \$ 0 | \$ 0 | \$ 0 | \$ 34,007,109 | 0% | 0% |
| Iowa | \$ 0 | \$ 0 | \$ 0 | \$ 28,728,847 | 0% | 0% |
| Kansas | \$ 201,876 | \$ 0 | \$ 201,876 | \$ 25,384,510 | 0% | 1% |
| Kentucky | \$ 0 | \$ 0 | \$ 0 | \$ 23,170,141 | 0% | 0% |
| Louisiana | \$ 0 | \$ 0 | \$ 0 | \$ 37,393,959 | 0% | 0% |
| Maine | \$ 0 | \$ 0 | \$ 0 | \$ 14,419,150 | 0% | 0% |
| Maryland | \$ 0 | \$ 0 | \$ 0 | \$ 52,917,780 | 0% | 0% |
| Massachusetts | \$ 25,000 | \$ 0 | \$ 25,000 | \$ 80,774,536 | 0% | <1% |
| Michigan | \$ 0 | \$ 0 | \$ 0 | \$ 128,384,578 | 0% | 0% |
| Minnesota | \$ 218,469 | \$ 0 | \$ 218,469 | \$ 31,988,303 | 0% | 1% |
| Mississippi | \$ 0 | \$ 0 | \$ 0 | \$ 24,012,154 | 0% | 0% |
| Missouri | \$ 2,443,209 | \$ 0 | \$ 2,443,209 | \$ 52,648,266 | 0% | 5% |
| Montana | \$ 0 | \$ 0 | \$ 0 | \$ 7,134,167 | 0% | 0% |
| Nebraska | \$ 171,063 | \$ 0 | \$ 171,063 | \$ 9,487,163 | 0% | 2% |
| Nevada | \$ 0 | \$ 0 | \$ 0 | \$ 14,503,038 | 0% | 0% |
| New Hampshire | \$ 0 | \$ 0 | \$ 0 | \$ 6,392,727 | 0% | 0% |
| New Jersey | \$ 951,363 | \$ 3,950 | \$ 955,313 | \$ 62,888,393 | <1% | 2% |
| New Mexico | \$ 0 | \$ 0 | \$ 0 | \$ 10,720,695 | 0% | 0% |
| New York | \$ 12,546,072 | \$ 9,325,301 | \$ 21,871,373 | \$ 466,290,219 | 43% | 5% |
| North Carolina | \$ 2,597,878 | \$ 0 | \$ 2,597,878 | \$ 62,990,781 | 0% | 4% |
| North Dakota | \$ 0 | \$ 0 | \$ 0 | \$ 3,521,345 | 0% | 0% |
| Ohio | \$ 583,925 | \$ 0 | \$ 583,925 | \$ 105,137,330 | 0% | 1% |
| Oklahoma | \$ 70,000 | \$ 0 | \$ 70,000 | \$ 34,049,393 | 0% | <1% |
| Oregon | \$ 0 | \$ 0 | \$ 0 | \$ 20,521,801 | 0% | 0% |
| Pennsylvania | \$ 0 | \$ 30,576,016 | \$ 30,576,016 | \$ 96,253,487 | 100% | 32% |
| Puerto Rico | \$ 0 | \$ 0 | \$ 0 | \$ 15,949,353 | 0% | 0% |
| Rhode Island | \$ 787,078 | \$ 7,437,841 | \$ 8,224,919 | \$ 14,576,508 | 90% | 56% |
| South Carolina | \$ 0 | \$ 0 | \$ 0 | \$ 24,587,081 | 0% | 0% |
| South Dakota | \$ 0 | \$ 0 | \$ 0 | \$ 7,339,993 | 0% | 0% |
| Tennessee | \$ 4,134,539 | \$ 0 | \$ 4,134,539 | \$ 34,158,282 | 0% | 12% |
| Texas | \$ 0 | \$ 2,000,000 | \$ 2,000,000 | \$ 161,887,457 | 100% | 1% |
| Utah | \$ 15,000 | \$ 0 | \$ 15,000 | \$ 24,935,291 | 0% | <1% |
| Vermont | \$ 61,485 | \$ 89,467 | \$ 150,952 | \$ 7,960,610 | 59% | 2% |
| Virginia | \$ 0 | \$ 0 | \$ 0 | \$ 55,512,297 | 0% | 0% |
| Washington | \$ 900,000 | \$ 0 | \$ 900,000 | \$ 40,840,658 | 0% | 2% |
| West Virginia | \$ 17,392 | \$ 0 | \$ 17,392 | \$ 20,570,301 | 0% | <1% |
| Wisconsin | \$ 109,287 | \$ 67,241 | \$ 176,528 | \$ 44,851,242 | 38% | <1% |
| Wyoming | \$ 14,816 | \$ 3,006 | \$ 17,822 | \$ 4,775,315 | 17% | <1% |
| TOTAL | \$ 70,259,364 | \$ 237,068,228 | \$ 307,327,592 | \$ 2,961,541,885 | 77% | 10% |

Table 2

Total Expenditures for Child Care, 2013¹

| State | SSBG Expenditures for Child Care | Other Federal, State, and Local Funds for Child Care | Total Expenditures for Child Care | SSBG Expenditures as a Percentage of Total Expenditures for Child Care |
|----------------------|----------------------------------|--|-----------------------------------|--|
| Alabama | \$ 500,000 | \$ 93,534,018 | \$ 94,034,018 | 1% |
| Alaska | \$ 0 | \$ 0 | \$ 0 | 0% |
| Arizona | \$ 260,846 | \$ 107,429,560 | \$ 107,690,406 | <1% |
| Arkansas | \$ 62,807 | \$ 495,829 | \$ 558,636 | 11% |
| California | \$ 210,730,666 | \$ 552,554,040 | \$ 763,284,706 | 28% |
| Colorado | \$ 970,062 | \$ 68,991,555 | \$ 69,961,617 | 1% |
| Connecticut | \$ 11,773,344 | \$ 21,544,816 | \$ 33,318,160 | 35% |
| Delaware | \$ 1,100,940 | \$ 0 | \$ 1,100,940 | 100% |
| District of Columbia | \$ 219,784 | \$ 55,878,971 | \$ 56,098,755 | <1% |
| Florida | \$ 3,070,701 | \$ 6,855,076 | \$ 9,925,777 | 31% |
| Georgia | \$ 0 | \$ 0 | \$ 0 | 0% |
| Hawaii | \$ 0 | \$ 0 | \$ 0 | 0% |
| Idaho | \$ 27,330 | \$ 21,698,790 | \$ 21,726,120 | <1% |
| Illinois | \$ 3,259,838 | \$ 834,095,678 | \$ 837,355,516 | <1% |
| Indiana | \$ 0 | \$ 0 | \$ 0 | 0% |
| Iowa | \$ 0 | \$ 0 | \$ 0 | 0% |
| Kansas | \$ 201,876 | \$ 60,218,128 | \$ 60,420,004 | <1% |
| Kentucky | \$ 0 | \$ 0 | \$ 0 | 0% |
| Louisiana | \$ 0 | \$ 0 | \$ 0 | 0% |
| Maine | \$ 0 | \$ 0 | \$ 0 | 0% |
| Maryland | \$ 0 | \$ 0 | \$ 0 | 0% |
| Massachusetts | \$ 25,000 | \$ 0 | \$ 25,000 | 100% |
| Michigan | \$ 0 | \$ 0 | \$ 0 | 0% |
| Minnesota | \$ 218,469 | \$ 91,017,495 | \$ 91,235,964 | <1% |
| Mississippi | \$ 0 | \$ 0 | \$ 0 | 0% |
| Missouri | \$ 2,443,209 | \$ 159,415,310 | \$ 161,858,519 | 2% |
| Montana | \$ 0 | \$ 0 | \$ 0 | 0% |
| Nebraska | \$ 171,063 | \$ 0 | \$ 171,063 | 100% |
| Nevada | \$ 0 | \$ 0 | \$ 0 | 0% |
| New Hampshire | \$ 0 | \$ 0 | \$ 0 | 0% |
| New Jersey | \$ 955,313 | \$ 33,825 | \$ 989,138 | 97% |
| New Mexico | \$ 0 | \$ 0 | \$ 0 | 0% |
| New York | \$ 21,871,373 | \$ 52,644,731 | \$ 74,516,104 | 29% |
| North Carolina | \$ 2,597,878 | \$ 353,814,248 | \$ 356,412,126 | 1% |
| North Dakota | \$ 0 | \$ 0 | \$ 0 | 0% |
| Ohio | \$ 583,925 | \$ 5,511,122 | \$ 6,095,047 | 10% |
| Oklahoma | \$ 70,000 | \$ 127,191,850 | \$ 127,261,850 | <1% |
| Oregon | \$ 0 | \$ 0 | \$ 0 | 0% |
| Pennsylvania | \$ 30,576,016 | \$ 323,084,109 | \$ 353,660,125 | 9% |
| Puerto Rico | \$ 0 | \$ 0 | \$ 0 | 0% |
| Rhode Island | \$ 8,224,919 | \$ 41,265,011 | \$ 49,489,930 | 17% |
| South Carolina | \$ 0 | \$ 0 | \$ 0 | 0% |
| South Dakota | \$ 0 | \$ 0 | \$ 0 | 0% |
| Tennessee | \$ 4,134,539 | \$ 170,501,698 | \$ 174,636,237 | 2% |
| Texas | \$ 2,000,000 | \$ 521,302,652 | \$ 523,302,652 | <1% |
| Utah | \$ 15,000 | \$ 45,507,148 | \$ 45,522,148 | <1% |
| Vermont | \$ 150,952 | \$ 65,387 | \$ 216,339 | 70% |
| Virginia | \$ 0 | \$ 0 | \$ 0 | 0% |
| Washington | \$ 900,000 | \$ 4,725,346 | \$ 5,625,346 | 16% |
| West Virginia | \$ 17,392 | \$ 55,388,775 | \$ 55,406,167 | <1% |
| Wisconsin | \$ 176,528 | \$ 2,371,154 | \$ 2,547,682 | 7% |
| Wyoming | \$ 17,822 | \$ 21,442 | \$ 39,264 | 45% |
| TOTAL | \$ 307,327,592 | \$ 3,777,157,764 | \$ 4,084,485,356 | 8% |

¹ Data on other Federal, State, and local expenditures for child care were collected only for States reporting SSBG expenditures for child care.

Table 3
Recipients of Child Care, 2013

| State | Child Recipients of Child Care Services ¹ |
|----------------------|--|
| Alabama | 30,094 |
| Alaska | 0 |
| Arizona | 44,135 |
| Arkansas | 38 |
| California | 2,288,176 |
| Colorado | 16,187 |
| Connecticut | 107,787 |
| Delaware | 2,083 |
| District of Columbia | 12,935 |
| Florida | 698,014 |
| Georgia | 0 |
| Hawaii | 0 |
| Idaho | 13,338 |
| Illinois | 174,510 |
| Indiana | 0 |
| Iowa | 0 |
| Kansas | 16,330 |
| Kentucky | 0 |
| Louisiana | 0 |
| Maine | 0 |
| Maryland | 0 |
| Massachusetts | 4 |
| Michigan | 0 |
| Minnesota | 16,063 |
| Mississippi | 0 |
| Missouri | 12,949 |
| Montana | 0 |
| Nebraska | 0 |
| Nevada | 0 |
| New Hampshire | 0 |
| New Jersey | 265 |
| New Mexico | 0 |
| New York | 2,084 |
| North Carolina | 117,729 |
| North Dakota | 0 |
| Ohio | 1,668 |
| Oklahoma | 63,270 |
| Oregon | 0 |
| Pennsylvania | 91,119 |
| Puerto Rico | 0 |
| Rhode Island | 7,796 |
| South Carolina | 0 |
| South Dakota | 0 |
| Tennessee | 4,140 |
| Texas | 102,588 |
| Utah | 11,183 |
| Vermont | 371 |
| Virginia | 0 |
| Washington | 6,542 |
| West Virginia | 12,391 |
| Wisconsin | 260 |
| Wyoming | 43 |
| TOTAL | 3,854,092 |

¹ The definition of a child is defined by each State. In many States, a child refers to an individual younger than 18 years.

This report was prepared for the Office of Community Services, Administration for Children and Families, U.S. Department of Health and Human Services by WRMA, Inc., under contract #GS10F0297L. Information about the Social Services Block Grant (SSBG) program is available at <http://www.acf.hhs.gov/programs/ocs/programs/ssbg>.

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