

Caring for Our Nation's Future:

The Impact of ARRA Funding on Access to Child Care

(Based on Case Studies in Georgia and Tennessee)

Overview

For millions of working Americans, access to high quality, affordable child care is a dream that remains squarely out of reach. Reliable, quality child care is essential to sustaining employment and economic security—especially for single mothers, who experience disproportionately high rates of poverty. Yet these services are often prohibitively expensive for low-income families, and many families who desperately need assistance simply do not qualify for aid.

The difficulty that American working families face in accessing stable and affordable child care is a national tragedy, one that has deep implications for a nation still struggling to recover from an economic crisis. A lack of access to child care services does more than simply prevent workers from entering the workforce; for many low-income families, it also works to perpetuate cycles of poverty by reducing the resources parents have available for employment opportunities and educational advancement.

Investing in our future by ensuring that every child has access to affordable, high quality care benefits not just children and families but our community at large. To help achieve that end, in 2009, the National Council for Research on Women undertook a comparative study to examine the impact of federal funding on child care in two states: Tennessee and Georgia. Specifically, the study seeks to evaluate the impact of American Recovery and Reinvestment Act (ARRA) funding on child care in these two states, with a particular focus on low income women's access to affordable, quality care.

Conducted in partnership with two of the Council's member centers—the Center for Research on Women at the University of Memphis and the Institute for Women's Studies at the University of Georgia—the study employed surveys, focus groups, interviews and economic analyses to draw a number of important conclusions about the impact of ARRA funding on child care in these states. Its findings and recommendations offer solutions that could, if effectively implemented, revolutionize access to quality, affordable child care nationwide.

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The Study

In 2009, \$2 billion of ARRA funding was designated for the Child Care and Development Block Grant (CCDBG), a federal program independently administered by each state to provide child care subsidies for low income families. However, at least 12 states were forced to make cuts to their child care assistance programs or child care quality initiatives, despite the influx of ARRA funds, variously affecting families' access to affordable and quality child care. The increases in federal block grants for child care assistance through ARRA occurred at a time of significant budget cuts at the state level, and new federal subsidies in some cases served only as temporary remedies rather than creating long-lasting improvements in access and eligibility or enabling the creation of new programs.

Within this context, the study was guided by three essential questions:

1. Did ARRA supplemental funding reach families that needed additional help?
2. Were providers able to access the educational and training opportunities that ARRA funded?
3. What changes in the child care subsidy infrastructure are recommended for families to access assistance with greater ease?

To address these questions, the study examined the use of ARRA funds in Tennessee and Georgia, as well as ARRA's impact on eligibility and access to child care. Working with local advocacy partners,

the project surveyed parents and guardians who use child care in both states and conducted a focus group with child care workers in Tennessee. The goal was to understand how ARRA funds impacted families in states with a range of different policies and procedures in place for allocating and disbursing funds.

Through this method of inquiry, the study found that in both Georgia and Tennessee, ARRA funds did temporarily broaden eligibility requirements for child care assistance, thereby reaching more families who were in need of subsidies. Child care service providers in both states also reported increased access to educational and training opportunities as a result of ARRA funding. (Each state chose to allocate its ARRA funds differently: While Georgia used \$18 million of its funding to supplement existing quality improvement programs, all \$42 million of Tennessee's funding went directly to child care assistance for families.)

These positive outcomes do not by any means erase the need for a significant overhaul of the system. Although both states temporarily relaxed and expanded eligibility requirements, neither restructured the way funds were disbursed or re-evaluated how many additional families were in need of child care subsidies. Changes to the child care subsidy infrastructure are still needed in both states so that families can access assistance with greater ease.

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Recommendations

Several recommendations were made for improving access to affordable, quality child care and improving the programs' effectiveness, based on surveys, focus groups, interviews and economic analyses employed by the study's authors. They are as follows:

Eligibility:

1. Raise income caps to allow more low-income working parents to receive benefits.
2. Reduce the work-hour requirement so that part-time employment is sufficient to qualify for child care subsidies.
3. Allow eligibility for people in job training and for all students pursuing a post-secondary education.
4. Provide child care subsidies that are not linked to Temporary Assistance for Needy Families (TANF).

Access:

1. Improve communication to families about the application process.
2. Make provisions for children with special needs, and improve the flexibility of care coverage to support parents who work non-traditional hours.
3. Ensure safe transportation for children to and from their care providers.
4. Develop guidelines for pricing so that centers that receive assistance to improve quality do not raise their fees, effectively pricing out the lowest income consumers.

Quality:

1. Develop national guidelines on minimum safety requirements.
2. Invest in the training of the child care workforce.
3. Identify and disseminate best practices for improving the quality of child care.

The availability of affordable and quality child care remains one of the most critical issues facing working families in America today. As we move to ensure that all families have access to this precious resource, this study suggests we first address three pressing issues:

- The need to overhaul the block grant system in order to increase eligibility to many families who are currently deemed ineligible to receive child care assistance;
- The need for national standards for evaluating “quality care” in order to create enriched early childhood learning environments for children that increase their likelihood to succeed in school and beyond; and
- The need to shift eligibility for child care aid away from outdated federal poverty thresholds and toward use of the living wage to determine what is required to meet basic needs in our current economy.

The National Council for Research on Women and its partners call on Congress to address these issues today—initially, by convening a congressional hearing featuring the testimony of a range of experts on child care issues, including researchers, advocates, child care providers and low-income women seeking quality, affordable child care.

Even in this difficult fiscal climate, focused investments in child care are essential if we hope to increase economic security for low income families and build greater equality within the United States over the long term. In fact, our nation’s future depends on it.

To read the full report, please visit our website: NCRW.org

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