

NCSL STANDING COMMITTEE on CHILDREN, FAMILIES, AND HUMAN SERVICES

POLICY DIRECTIVES AND RESOLUTIONS

**LEGISLATIVE SUMMIT
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1 **COMMITTEE: CHILDREN, FAMILIES, AND HUMAN SERVICES**

2 **POLICY: CHILD CARE**

3 **TYPE: DIRECTIVE (amendments suggested by NCSL's**
4 **bipartisan Child Care Working Group)**

5 NCSL urges Congress to continue its support of state initiatives to offer high-quality and
6 safe child care. In partnership, state and federal governments can address the wide
7 spectrum of needs for child care offered in varied delivery settings while ensuring parent
8 choice, quality and affordability.

9

10 [NCSL encourages the federal government to take a holistic and cohesive approach to](#)
11 [child care and early learning across federal agencies and to take into account different](#)
12 [state governance structures for early childhood programs.](#)

13

14 NCSL encourages the federal government to consider the needs of families in different
15 geographic areas of the country, including urban and rural areas, as well as different
16 economic situations families are facing, in any federal efforts to address the supply of
17 child care slots and providers.

18

19 NCSL encourages the federal government to consider the connections between
20 different types of child care and early learning, and the educators who provide those
21 services, in order to avoid unintended consequences of new policy within the early
22 childhood sector.

23

24 [Federal Options that enable states to create or allow the development of public-private](#)
25 [partnerships to strengthen the child care system should not allow federal oversight to](#)
26 [limit be limited with oversight that allows for state's' ability to best serve the child care](#)
27 [needs of their communities.](#)

28

29 [Supporting State Efforts to Address Access and Affordability](#)

30 The true cost of providing safe, high-quality child care and early learning for children
31 birth through five is higher than what many families are able to afford to pay child care
32 providers. The economics of the child care market have made child care unaffordable
33 for families across all states. NCSL acknowledges that public subsidies for child care
34 and early learning are a critical component in lowering the cost of child care. NCSL
35 supports increased federal funding for child care and early learning as a way to
36 supplement the investments states are already making.

37
38 While authority over licensing, wages, and other regulation of the child care workforce
39 are under the purview of states, NCSL encourages the federal government to financially
40 support states' efforts to increase recruitment and retention of the child care workforce
41 in order to increase the availability of child care slots and quality of care provided.

42
43 NCSL supports federal training and technical supports for existing and aspiring home-
44 and center-based child care providers to help them successfully run their businesses or
45 organizations, including by allowing non-profit providers to benefit from resources
46 offered by the Small Business Administration.

47
48 Capital costs are often a barrier to increasing the supply of child care for existing and
49 aspiring providers, and states are prohibited from using CCDBG funds for significant
50 capital projects. NCSL supports federal efforts to help states improve existing facilities
51 and build new facilities as a way to increase the availability of child care and early
52 learning slots.

53
54 As states continue to lead on innovative strategies to improve child care access and
55 affordability, NCSL supports federal efforts to incentivize and support innovation in
56 states, including through state flexibilities or funding opportunities such as the Preschool
57 Development Grants Birth to 5 (PDG B-5).

58
59 **Child Care Development Block Grant (CCDBG)**

60 NCSL supports the Child Care Development Block Grant Fund (CCDBG) program,
61 which serves as the main source of federal funding dedicated primarily to child care
62 subsidies for low-income working families and parents engaged in job training or other
63 educational opportunities.

64

65 ~~In a diverse child care marketplace, state legislators are faced with the demands of~~
66 ~~directing CCDBG funding where it is most needed to ensure the availability of high-~~
67 ~~quality and affordable child care:~~

68 NCSL recognizes the widespread need for child care assistance and the importance of
69 states using CCDBG funding to support the following needs:

- 70 • enabling families receiving public assistance on wait lists to gain employment,
- 71 • ensuring that former families on public assistance become economically stable,
- 72 • meeting the special needs of children with disabilities,
- 73 • providing care for infants and older children in after-school care, and
- 74 • ensuring access to care for children of parents who work traditional and non-
- 75 traditional hours.

76

77 NCSL supports the following program flexibility options for states:

- 78 • offering differential payment rates for providers of higher quality services or who
- 79 serve children with special needs;
- 80 • permitting states discretion to govern the establishment of rules on the
- 81 registration of unlicensed providers;
- 82 • allowing parental choice of providers within a state regulatory framework;
- 83 • permitting the inclusion of quality supply and system building activities as
- 84 acceptable expenditures in addition to reimbursement;
- 85 • permitting states to make child care services accessible to all individuals' subject
- 86 to work requirements with federal funding support; and
- 87 • providing states the option to extend the age of eligible children beyond age 13,
- 88 especially children with special needs, to give states more flexibility to use these
- 89 funds for out of school time care for older adolescents.

- 90 • allowing states to use TANF funds to support programs that serve grandparents
91 raising grandchildren.

92

93 **CCDBG Funding**

94 NCSL urges Congress to continue its commitment to support the CCDBG ~~program at~~
95 ~~sufficient levels to which~~ complements ongoing state efforts to provide high-quality child
96 care services to low- and moderate-income working families. Current CCDBG funding
97 levels limit the number of eligible families who can benefit from child care subsidies.
98 NCSL encourages the federal government to increase funding to CCDBG to allow
99 states to serve a larger percentage of eligible children.

100

101 NCSL opposes earmarking CCDBG increases in funding as they would reduce state
102 flexibility, which is crucial to state innovation. The portion of unobligated CCDBG funds
103 should remain consistent with congressional intent and leave the use of those funds to
104 the discretion of the state for their CCDBG programs. NCSL urges the federal
105 government to not withhold funding from states that choose to operate their programs
106 under stricter standards than the federal standards.

107

108 ~~NCSL supports the portion of the CCDBG that is funded by discretionary dollars and~~
109 ~~subject to the congressional appropriations process. However, any additional funds for~~
110 ~~the CCDBG should be an entitlement to the states.~~

111

112 NCSL encourages the federal government to consider the impacts of state matching
113 and maintenance of effort requirements. Child care is a critical component that enables
114 states to meet ~~increased~~ requirements for work participation in federal programs, and
115 imposing a state match may serve as a barrier for some states in accessing badly
116 needed child care funds. Maintenance of effort (MOE) requirements also make it difficult
117 for states to take advantage of federal funds when they face difficult decisions about
118 how to fund all human services programs. NCSL supports maintenance of effort
119 flexibility.

120 If an administrative cap is imposed, it should be limited to a strict definition of
121 administrative funds. Services such as inspections, licensing, automation, eligibility
122 determination, resource and referral, case management, training, and rate setting are
123 required and critical to the provision of quality services and should be defined as
124 services. NCSL urges the federal government to provide technical assistance to states
125 to improve the coordination and financing of child care programs.

126

127 **TANF and Child Care**

128 NCSL strongly supports child care as an eligible use of the Federal TANF block grant
129 and state maintenance of effort (MOE) funds. NCSL supports state options to transfer
130 up to 30% of their federal TANF block grant allotments to the CCDBG. We urge the
131 administration and the Congress to eliminate the distinction between how child care is
132 treated for working families based on funding stream.

133

134 NCSL urges the federal government to reconsider the distinction in TANF regulations
135 that counts child care and other work supports for the unemployed as assistance. NCSL
136 supports families having a reliable source of child care support while they look for
137 another job rather than offering an incentive for them to return to cash assistance.

138

139 **Standards**

140 NCSL supports states retaining regulatory, licensure and operational oversight of child
141 care facilities. Any regulatory requirements imposed by the federal government should
142 serve as a floor and not a ceiling, and not restrict state flexibility in determining how
143 child care facilities should function. NCSL urges federal agencies to support state efforts
144 through guidance and technical assistance, particularly in regard to building a child care
145 workforce, provider education, development of models for special needs populations,
146 and the homeless.

147

148 **Taxes and Benefits**

149 NCSL supports options through use of federal and state tax incentives that can
150 encourage creation of child care programs and help parents better afford child care
151 services. NCSL supports:

- 152 • Tax credits for employers that establish, operate, supply and/or support child care
153 programs, including the 45F. These tax credits should incentivize employers to
154 consider child care supports that benefit both their employees and the
155 community. NCSL encourages Congress to make it easier for small- and
156 medium-sized business to make use of the credit.
- 157 • Public or private incentives for a child's primary caregiver to have the option to
158 stay at home during the child's early developing stages;
- 159 ~~• Tax credits for taxpayers with dependents under compulsory school age; NCSL~~
160 supports the Child Tax Credit as an effective way to help parents afford child care
161 and other basic necessities that support healthy child development. NCSL
162 encourages Congress to provide different maximum credit amounts for the Child
163 Tax Credit based on the age of the child, with the highest credit available for the
164 youngest children. NCSL encourages Congress to offer parents the option to
165 receive the credit in multiple payments during the year instead of once per year.
- 166 • Child care benefits as an option in employer-sponsored cafeteria plans, including
167 pre-tax flexible spending accounts;
- 168 ~~• Retention of the Dependent Care Tax Credit as it exists under current law; and~~
169 NCSL supports the Child and Dependent Care Tax Credit (CDCTC) as an
170 opportunity to help parents afford child care. NCSL urges Congress to make the
171 following changes to the CDCTC to make it more accessible to low- and middle-
172 income families and to take into account inflation and the increasing cost of child
173 care:
 - 174 ○ NCSL encourages Congress to update the CDCTC credit amount and
175 index the credit to inflation to ensure the credit reflects the current cost of
176 child care and offers a meaningful benefit to families as the cost of living
177 increases.

- 178 ○ NCSL encourages Congress to make the CDCTC fully refundable so the
- 179 lowest-income families can receive the credit for child care costs they
- 180 have already incurred.
- 181 ○ NCSL urges Congress to phase out the CDCTC for high-income families
- 182 who are less likely to have child care costs impact their financial stability.
- 183 ● NCSL encourages Congress to separate the Dependent Care Assistance
- 184 Program (DCAP) from the CDCTC so that parents who contribute to a
- 185 DCAP can receive up to the maximum CDCTC for the amount they spend
- 186 on child care above their DCAP contribution.

- 187 • Tax incentives and financial assistance to encourage individuals to establish
- 188 and/or operate child care programs;

189 ~~Options that enable states to create or allow the development of public-private~~

190 ~~partnerships to strengthen the child care system should be limited with oversight that~~

191 ~~allows for state's ability to best serve the child care needs of their communities.~~

192 **All amendments were suggested by NCSL's bipartisan Federal Child Care**

193 **Working Group.**

1 **COMMITTEE:** CHILDREN, FAMILIES, AND HUMAN SERVICES

2 **POLICY:** SOCIAL SERVICES AND SUPPORTS FOR
3 FAMILIES AND INDIVIDUALS, COMMITTEE
4 DRAFT

5 **TYPE:** DIRECTIVE (Committee draft)

6 **Social Services Block Grant (SSBG)**

7 NCSL urges the federal government to:

8 • Fund the Social Services Block Grant (SSBG) at the level agreed to as part of
9 the enactment of the 1996 welfare reform act, \$2.8 billion.

10 • Continue to allow states to transfer at least 10% of their TANF funds to
11 SSBG. Keep the amount states can transfer from their TANF grants to the SSBG
12 remains at least 10% and is not reduced. SSBG funds programs that
13 complement TANF's goal of self-sufficiency. ~~Further r~~Reductions in funding for
14 this grant would mean programmatic losses and service reductions.

15 • ~~Avoid imposing federal earmarks or set-asides within the SSBG.~~

16

17 NCSL opposes:

18 • Imposing federal earmarks or set-asides within the SSBG or Eearmarking SSBG
19 for any of the populations served by the block grant.

20

21 Finally, if Congressional proposals to substantially reduce or eliminate funding for SSBG
22 funding is substantially reduced or eliminated~~are enacted~~, state maintenance of effort
23 requirements related to expected expenditures from SSBG, must be removed or
24 modified.

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26 **Community Services Block Grant**

27 NCSL supports full funding and reauthorization of the Community Services Block Grant
28 Act. NCSL also supports efforts to improve program effectiveness and to measure
29 program performance and effectiveness.

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Low Income Home Energy Assistance Program (LIHEAP)

NCSL ~~also~~ supports LIHEAP : Funding at the highest authorized level for this program.
NCSL also supports the use of interest-subsidized loans to helpassist households to
weatherize their homes.

~~• The use of interest subsidized loans to assist households to weatherize their homes.~~

~~• Funding at the highest authorized level for this program.~~

• ~~Finally,~~ NCSL supports federal efforts to ensure the following are maintained in the LIHEAP program:

- Including all states in the funding allocation formula.
- Affording states the flexibility to shape the program in thea way thatwhich best meetssuits the needs of its citizens and maintains strong state oversight of such programs.
- Targeting assistance to households with the lowest incomes and to households with infant, elderly and/or disabled members.
- Authorizing states to draw down program funds on an as-needed basis.
- PAnd prohibiting counting energy assistance payments as income for the purpose of determining eligibility and/or benefit levels in other public assistance programs.