What is the Child Care and Development Block Grant?

The Child Care and Development Block Grant (CCDBG) is the primary source of United States federal funding for child care subsidies for low income working families and for states to improve child care quality. Each state’s lead agency receives annual appropriations and must make a federal match to receive those appropriations.

Although it is a block grant, Kentucky is given specific percentages on how CCDBG funds must be spent:

- **70%** of CCDBG funds goes to direct services to children through the Child Care Assistance Program (CCAP)
- **12%** of CCDBG funds goes to quality initiatives (at least 3% focused specifically on infants & toddlers) KY typically spends 15-16% on quality initiatives, such as professional development, background check services, and child care center monitoring.
- **4%** of CCDBG funds goes to Consumer Education, including the parent portion of the Division of Child Care (DCC) website and materials to assist parents with finding quality child care. (See the Child Care Program Supports handout for a list of supports.)
- **5%** of CCDBG funds goes to administrative fees to manage of the block grant.

*Flexible remaining CCDBG dollars typically go to CCAP.*
What does child care funding look like in Kentucky?

- Kentucky is typically awarded approximately $95 million per year, varies based on federal appropriations.
- Kentucky provides a $20 million annual match – $10 million from state general funds designated for CCAP and $10 million from annual tobacco settlement funds designated for Kentucky All-STARs program and ECE scholarship funds.
- Kentucky also uses a small percentage of TANF (Temporary Assistance for Needy Families) funds for child care assistance.

Some Requirements to receive federal CCDBG funds:

- 3 Year Strategic Plan (approx. 300 pages) with fidelity to plan
- 3 year on-site monitoring visit to DCC with monthly calls in-between visits
- Bi-annual reports on the CCDBG programs and funds
- Quarterly financial reports monitoring error-rate on subsidy funds
- 3-year error rate/financial monitory on-site inspection
- Implementation of the National Background Check Program
- Mandatory Health & Safety requirements in regulation or state policy
- Prioritization of funds for: children living in poverty, children in foster care, children with disabilities, children experiencing homelessness, infants and toddlers, and school-age child care
- To access funds, child care programs must be certified or licensed in accordance with CCDBG standards.