



# Use of ARRA Funds for Subsidized Child Care in Georgia

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# Subsidized Child Care in Georgia

- Child Care and Parent Services (CAPS) is administered by DHR and county DFCS offices
- Eligibility
  - Income limits (less than 160% FPL)
  - Activity requirements for work or education/training
- Serves children birth to 13 (up to 18 with special needs)
- CAPS child care copayments for a family at 100% FPL is 9 percent of their income



# Georgia CAPS

- Primarily funded by the federal Child Care Development Block Grant (CCDBG) and required matching state funds
- Annual CAPS budget is about \$227 million (flat for past 4 years)
- TANF funds are a minor source and are decreasing



# CAPS and Low-Income Children

- More than 600,000 Georgia children ages birth to 13 live in families with incomes below 150% FPL (\$27,465 for a family of three)
- CAPS serves an average of 54,000 children per month
- CAPS waiting list is 4,000 families (4,000 to 7,200 children)



# Stimulus Child Care Funds via ARRA

- \$2 billion nationwide through CCDBG to serve more children and create jobs
- No state match required
- To supplement not supplant state general revenue funds
- \$1 billion for Head Start and \$1.1 billion for Early Head Start



# ARRA Child Care Funds for Georgia

- Georgia ARRA child care allocation is \$82.8 million in CCDBG funds through September 30, 2010
  - Approximately \$72 million for subsidized child care
  - Approximately \$10.8 million for quality improvement (to be administered by Department of Early Care and Learning)



# ARRA Child Care Funds for Georgia

- For fiscal year 2010, Georgia lawmakers allocated \$36 million in ARRA CCDBG funds “for CAPS program waiting list and their child care needs” for fiscal year 2010
  - \$11.5 million for CAPS to maintain current service levels of 54,000 children per month (to backfill for the transfer of \$11.5 million in federal TANF funds to Out of Home Care)
  - \$24.5 million to potentially eliminate the waiting list and serve approximately 6,700 children per month
- Expect remaining \$36 million in stimulus funds to be allocated in fiscal year 2011



## Other Recommended Uses for ARRA Funds in CAPS

- Extend the job search period for CAPS participants after a job loss to 12 weeks (DHR recently increased period from 4 weeks to 8 weeks)
- Waive copayments for families with incomes under the poverty level
- Update eligibility definition to use current poverty level (rather than 2005 poverty level)



# How Other States Are Using ARRA Funds

- Most states are accepting stimulus funds to reduce or eliminate waiting lists in existing programs
- Others are seizing the opportunity to make policy changes. For example, California temporarily suspended the time limit on job search for parents with children ages birth to 5



# Examples for Using ARRA CCDBG Quality Funds

- Quality improvement grants to child care centers and family child care homes in underserved communities to pay for start-up costs
- Expand scholarship and incentive program to include school-age providers
- Develop a Quality Rating and Improvement System based on DECAL Quality System Indicators (DECAL stimulus plan for ARRA CCDBG quality funds not public yet)



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