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RESULTS

The Intersection of TANF and Child Care

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DISCLAIMER

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Executive Summary

The Temporary Assistance for Needy Families program, or TANF, is one of the primary federal programs intended to create a “safety net” around low-income families, supporting them on their path toward self-sufficiency. Created in 1996, it provides a block grant to states to offer benefits and assistance to low-income parents and children. Although the Child Care and Development Fund, or CCDF, provides most federal funds dedicated to helping low-income working families pay for child care, a significant amount of public child care funding comes from the TANF program. In fact, as our country’s second largest public source of child care funding, the TANF program is too often overlooked in discussions about child care in our country.

Because access to child care is key to achieving TANF’s goal of supporting low-income families while encouraging them to work, Congress created three channels by which states may use their TANF funds to help families access and afford child care. In fiscal year 2019, states in aggregate spent over \$5 billion on child care services through the three avenues listed below.

1. *Transfers to CCDF.* States may transfer up to 30% of their federal TANF funds to the CCDF to increase the amount of funding that provides child care subsidies to low-income families under that program.¹ Funds transferred from TANF to CCDF are subject to the same rules and reporting requirements as CCDF, helping to ensure children are served in child care programs that meet the minimum health and safety requirements established under CCDF. In FY2019, 26 states transferred a total of \$1.3 billion of their federal TANF funds to CCDF.²
2. *Federal Direct Spending.* Separate from CCDF, states may allocate any amount of their federal TANF funds directly to child care services, including pre-K and Head Start. Importantly, expenditures in this category are not subject to the minimum health and safety standards required by CCDF. States, therefore, may have multiple sets of child care program rules, regulations, and requirements. In FY2019, 35 states and the District of Columbia spent a total of \$1.4 billion of their federal TANF allocation on direct child care services.
3. *State MOE Direct Spending.* States are required to maintain a specific level of their own funding on TANF-related activities—known as the state maintenance of effort, or MOE. States may count spending on child care as contributions to their TANF MOE. Additionally, up to \$888 million of state expenditures used to meet separate CCDF MOE requirements may also count towards the state’s TANF MOE requirements.³ In 2019, 44 states and the District of Columbia reported an aggregate of \$2.3 billion was spent on

child care services that counted toward their collective \$14.7 billion in MOE contributions.⁴ After excluding the CCDF MOE funds states may concurrently count for their TANF MOE, states spent about \$1.4 billion of \$13.8 billion in MOE funds on direct child care services in FY2019.

States' ability to transfer TANF funds to the CCDF program is crucial for promoting the high-quality environments children need to build a healthy foundation for life and for helping families access the stable child care arrangement they need to find and maintain employment. Unfortunately, over time, states have decreasingly relied on this funding mechanism to support child care access and affordability for low-income families through TANF and have instead favored direct spending of TANF funds on child care assistance.

In FY2019, more than half of all TANF funding that states reported spending on child care—\$2.8 billion of the total \$5.04 billion—were obligated for direct services and not subject to the health and safety standards enforced by CCDF intended to promote the high-quality environments children need to thrive.

Three concerning trends are clear over time. First, annual transfers from TANF to CCDF have decreased by over \$1 billion since 2000—from over \$2.4 billion in 2000 to just over \$1.3 billion in FY2019. Second, the number of states transferring funds has also declined: In 2000, 46 states transferred TANF funds to CCDF, compared to just 26 in 2019. Lastly, states are transferring a smaller proportion of their total child care funding within TANF to CCDF: Out of total TANF funds allocated to child care services, the percentage transferred to CCDF dropped from 40% in 2000 to 25% in 2019.

Over time, these realities mean states are increasingly side-stepping the health and safety regulations under CCDF by transferring a smaller proportion of their TANF funds to CCDF and in some cases, transferring nothing at all.

Further, as Congress has slowly provided increases to CCDF, states have slowly decreased their transfers to CCDF from TANF. Between 2000 and 2017—prior to historic increases in CCDF funding—Congress increased CCDF allocations by 63%, while transfers to the program from states' TANF funds fell by almost half. This means that while Congress provided additional funding specifically for child care, the decline in transfers muted their impact: Total funding for the CCDF program, including transfers, only rose 19% from 2000 through 2017.

Between 2000 and 2019:

- Annual transfers from TANF to CCDF decreased by over \$1 billion
- The percent of all TANF child care spending that is transferred dropped from 40% to 25%
- The number of states transferring funds dropped from 46 to 26.

The outdated TANF policy allowing states to spend funds on child care that does not meet the minimum standards established through CCDF has the potential to negatively impact low-income, working families who rely on a stable child care subsidy to work, as well as on their children, who deserve safe, high-quality child care arrangements. If our country is to truly support the wellbeing of families and children as they seek self-sustainability and long-term success, Congress must reauthorize the Temporary Assistance for Needy Families program with the following critical reforms:

- 1. Require all Child Care Spending to be Transferred to CCDF.** Public funding for child care through TANF should be subject to minimum requirements established and agreed to on a bipartisan basis through CCDF, including minimum health and safety standards and reporting requirements. This would ensure proper oversight and accountability of public funding and promote the healthy development of children.
- 2. Increase Transfer Limits.** If all child care spending through TANF were required to be transferred to CCDF, Congress would need to offer flexibility in the 30% maximum that states are currently able to transfer to CCDF. If all TANF funds states spent on child care in 2019 were transferred to CCDF, several states would meet or exceed the 30% threshold. Therefore, flexibility is needed to ensure states can meet the needs of working parents and their children.
- 3. Strengthen Data Reporting and Analysis of Tribal TANF.** Despite robust monthly and quarterly data collection required by law and reported by tribes, the Department of Health and Human Services provides minimal publicly available information about the demographic recipients of tribal TANF dollars.⁵ These gaps in available information make it nearly impossible to identify impacts or inform any future reauthorization of the law. As such, this report does not go into detail about the impacts TANF has on tribal communities. Because it is incumbent upon tribes to report on a monthly and quarterly basis, HHS should ensure the data and any relevant analysis is made publicly available in a timely manner.

Introduction

The child care market plays an essential role in ensuring parents can work, children can learn, and the economy can thrive. However, millions of American families struggle to find quality, affordable child care in a safe, well-designed facility that fits their needs and preferences.⁶ In BPC's 2020 analysis of pre-pandemic supply and potential need for child care across 25 states, we identified a potential gap of almost 32%, or over 2.5 million families who potentially lack access to child care.⁷ The impacts of the global coronavirus pandemic undoubtedly made this potential gap even more startling.⁸

The unavailability of high-quality, affordable child care is a barrier to parents finding a job and remaining in the workforce, and forces families to make significant financial decisions impacting their lives.⁹ The lack of high-quality child care and early education can also have long-term negative impacts on a child's success in school and into adulthood.

Recognizing the importance of child care, Congress has established and supported several programs intended to improve access and affordability of child care for low-income working families. The Child Care and Development Fund is the largest federal funding source for child care in the United States, offering assistance—often in the form of certificates—to low-income parents to help them pay for child care so they can participate in the labor force. Similarly, the TANF block grant is a federal program that helps low-income families achieve economic security through an array of supports and services. Alongside helping families meet basic needs and supporting work-related activities, states may spend TANF funding on child care and early learning programs including by transferring funds to the CCDF. The TANF program is the second largest public funding source of child care in our country. Together, these programs allow millions of low-income working parents to access and afford child care in order to work and support their families.

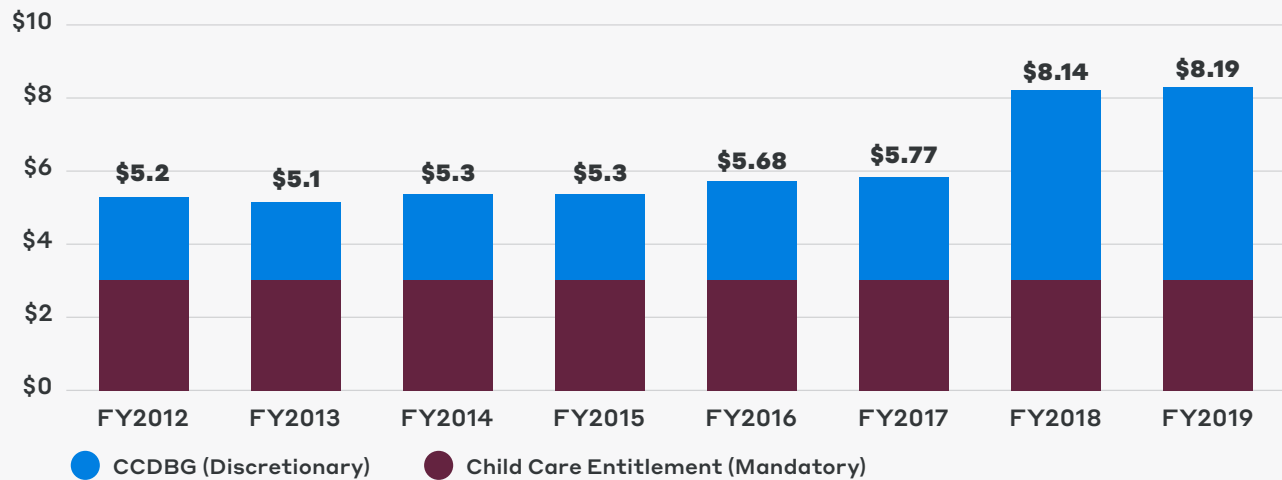
CHILD CARE AND DEVELOPMENT FUND — BACKGROUND

The CCDF is the main federal funding source for child care, consisting of two funding streams: (1) discretionary funding authorized by the Child Care and Development Block Grant (CCDBG) Act, subject to an annual appropriation and (2) an entitlement consisting of mandatory and matching funds made available under Section 418 of the Social Security Act, referred to as the Child Care Entitlement to States, or CCES.¹⁰ Together, these funds provided \$8.19 billion to

states in FY2019 to help them improve the quality and affordability of child care for low-income working parents. For the purposes of this report, “CCDF” is used to refer to the program in its entirety, unless otherwise explicitly explained.

In November 2014, the *Child Care and Development Block Grant Act of 2014* was signed into law—the first comprehensive reauthorization of the program in nearly 20 years. The law established minimum standards related to health and safety, improved licensing and monitoring requirements, and expanded the purpose of the law to reflect the importance of high-quality care on a child’s development.¹¹

Figure 1: CCDF Funding in Billions (FY 2012-2019)



In March 2018, Congress passed an historic discretionary increase of \$2.37 billion to CCDF—the single largest increase in the program’s history, effectively doubling discretionary (CCDBG) funding to \$5.2 billion.^a This bipartisan agreement increased CCDF funding from \$5.7 billion in FY2017 to \$8.14 billion in FY2018, building upon years of stagnant funding and indicating a bipartisan commitment to supporting working families with young children through access to child care. Funding was again increased in FY2019 and FY2020 by \$50 million and \$55 million, respectively.¹²

Despite the bipartisan attention to quality improvements and funding increases, child care costs continue to be a major challenge for millions of working families and just a fraction of eligible families receive assistance through CCDF.¹³ As detailed below, the TANF program helps augment CCDF funding, allowing additional families to access high-quality, affordable child care, which allows them to find and keep stable employment.

^a For more history on federal funding for CCDF, see Appendix 2.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM—BACKGROUND

The TANF block grant is a federal program that helps low-income families achieve economic security through an array of supports and services. TANF was created in 1996 through the Personal Responsibility and Work Opportunity Reconciliation Act, or PRWORA, commonly recognized as welfare reform. The TANF program replaced the Aid to Families with Dependent Children (AFDC) program, which had provided cash assistance to families with children experiencing poverty since 1935.

In establishing TANF, Congress expanded on the AFDC by allowing funds to be used broadly towards four goals intended to support vulnerable families and their children: (1) Provide assistance to needy families so children may be cared for in their own homes or in the homes of relatives (2) End the dependence of parents in need on government benefits by promoting job preparation, work, and marriage. (3) Prevent and reduce the incidence of out of wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies. (4) Encourage the formation and maintenance of two parent families.

Alongside offering cash assistance to help families meet basic needs, states may use TANF funding for work-related activities such as education and training; child welfare programs; and notably, for child care and early learning programs, including state pre-Kindergarten. TANF funds are also used for a variety of short-term and emergency benefits to supplement and finance state tax credits and for other social services.¹⁴

Through TANF, the federal government allocates \$16.5 billion to states annually, based on a formula in accordance with PRWORA.^b The block grant amount, both in total and for each state, has remained largely unchanged since 1996, though beginning in fiscal year 2017, 0.33% annually is required to be set aside for research, which resulted in decreased state allocations.¹⁵ Because this funding does not account for inflation, the value of the TANF block grant has declined by nearly 40% since the program's inception.¹⁶ Federal TANF funding is considered “mandatory”—in that grants are entitlements to states, and funding is set by statute and not subject to the annual appropriations process. Additionally, states are required to contribute their own funds to the program, in aggregate of at least \$10.3 billion, which is known as the maintenance of effort, or MOE, requirement. In 2019, states' reported MOE contributions were almost \$14.7 billion. Overall TANF funding in FY2019 totaled nearly \$31 billion.¹⁷

^b For more history on federal funding for TANF, see Appendix 2.

States have broad flexibility towards meeting the four key statutory goals noted above. Generally, states dedicate the largest portion of their TANF funds to providing cash assistance to help families meet basic, ongoing needs such as food, shelter, and utilities. In FY2019, over 21% of total TANF funding was used for this purpose. This category of assistance also includes the strictest work requirements and time limits compared to other types of TANF assistance, in attempt to prevent welfare dependency—TANF’s second statutory goal and the impetus for welfare reform in 1996.

States also use TANF funding on a variety of other benefits and services, called “non-assistance.” Non-assistance activities are typically short-term nonrecurring payments and may include other benefits and services including supporting employment, education, job training, child welfare, and youth development.

TANF funds may be used on child care assistance, Head Start, and pre-Kindergarten programs; states spend a significant amount of TANF funds on these activities. Most notably, funds provided to help families cover child care services are considered non-assistance if the family is employed and assistance if the family is unemployed but are performing activities like community service or job training. In FY2019, states provided over \$5 billion in child care assistance through the TANF program, representing over 16% of their total TANF funding.^c

Most policies in effect today date back to the program’s creation. Though efforts to reauthorize the program have been considered by both Democrats and Republicans, the program has not been comprehensively reauthorized or updated to reflect the needs of low-income families today. Since the end of 2010, TANF has been funded through a series of short-term extensions.¹⁸

Federal TANF Funding for Child Care. Child care is key to achieving TANF’s goal of supporting families in need while encouraging them to work. For these reasons, the law creates two channels by which states may use their federal TANF funds to help families cover child care costs and enable the program to be a major contributor to child care spending. Federal TANF funding for child care can be allocated by states in two ways, detailed below.

Transfers to CCDF. Federal law allows states to transfer up to 30% of their federal TANF funds to CCDF to increase the amount of funding available under that program and provide additional child care subsidies to low-income families.¹⁹ Funds transferred from TANF to CCDF are subject to the same rules and reporting requirements as CCDF, helping to ensure young children are served in child care programs that meet minimum health and safety requirements and other rules and regulations under CCDF. In FY2019, states transferred a total of \$1.3 billion out of their \$16.2 billion in federal TANF expenditures to the CCDF program.²⁰

^c For a detailed breakdown of TANF spending on child care in FY2019, Appendix 1.

Direct Spending. Separate from CCDF, states can allocate any amount of federal TANF funds directly to child care services, including on pre-K and Head Start, commonly called “direct” spending. Importantly, expenditures in this category are not subject to the minimum health and safety standards, eligibility requirements, or any other rules required by CCDF. States therefore may have multiple sets of child care program rules, as opposed to the seamless system envisioned with the 1996 reforms. The implications of this policy are discussed in greater detail later in this report.

In FY2019, states spent \$1.4 billion of their \$16.2 billion in federal TANF expenditures on direct child care services. For purposes of this report and its focus on child care, state funding on pre-K and Head Start is not comprehensively analyzed, though it is important to note another \$60 million was directly spent on pre-K and Head Start programs in FY2019.

TANF State MOE Funding on Child Care. As previously referenced, states are required to maintain a specific level of their own funding on TANF-related activities, known as the state maintenance of effort, or MOE, to receive their TANF funds. Specifically, each state must spend its own funds on activities for families in need at a level equal to 75% of what the state spent on welfare programs in FY1994—before TANF was established. States may count spending on child care activities that are provided to, or on behalf of, TANF eligible families as contributions to their TANF MOE. In FY2019, states reported spending an aggregate of \$2.3 billion on child care out of the \$14.7 billion in total funding they reported counting toward MOE contributions. Additionally, states reported \$2.5 billion in spending on pre-K and Head Start programs toward their TANF MOE.²¹

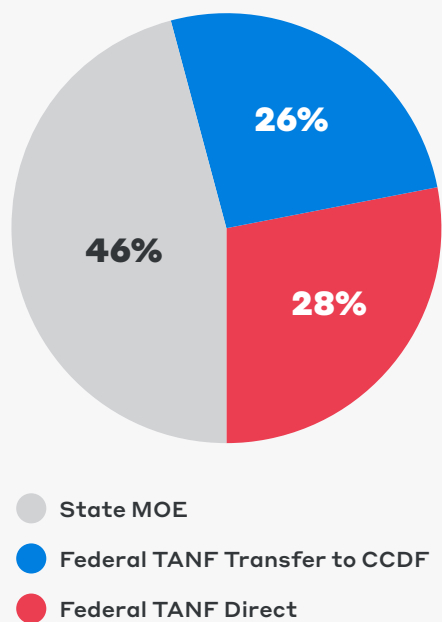
States are also required to spend their own funds to meet separate CCDF MOE requirements, and TANF rules allow states to “double count” this spending—a required \$888 million—as part of their TANF MOE requirements. Because of this double counting, it is important to understand how much in state funds were contributed solely toward the TANF MOE. In FY2019, after subtracting the \$888 million from total TANF MOE funds that can count for both programs’ maintenance of effort requirements, states dedicated \$13.8 billion explicitly for their TANF MOE. Of this unduplicated amount, states spent a total of \$1.4 billion on direct child care services that counted only for their TANF MOE in FY2019.^d

^d Because data from the FY2019 TANF expenditure sheets published by HHS includes CCDF MOE funds in states’ TANF MOE amounts and categorizes them as “direct” spending, this report will include the CCDF MOE funds in TANF MOE totals unless otherwise described.

National Overview: 2019 TANF Expenditures on Child Care

In FY2019, the latest data available according to reports published by HHS, states reported just over \$5 billion of their total TANF funding was spent on child care—a decrease from 2018 when states spent over \$5.3 billion.^e States' 2019 spending on child care represents 16.3% of the total \$30.9 billion in TANF funds spent; by comparison, during the same year, about 21% of TANF funding was used for basic assistance and 10.5% was used for work, education, and training activities.

Figure 2: TANF Child Care Spending, 2019



Transfers to CCDF. In 2019, 26 states transferred a total of \$1.3 billion in federal TANF funds to CCDF—a 13% decrease from 2018 when \$1.5 billion was transferred. This transfer represents a 15% increase to the \$8.19 billion in funding authorized to the CCDF program during FY2019 for a total of \$9.49 billion in funding available through CCDF.

Federal Direct Spending. In 2019, 35 states and the District of Columbia spent more than \$1.4 billion of their federal TANF funds directly on child care services—a 7% decrease from 2018 when states spent over \$1.5 billion.

State MOE Spending. In 2019, 44 states and the District of Columbia reported over \$2.3 billion of their own funds were spent on direct child care activities that counted toward their MOE—about 2.3%, or almost \$55 million more than 2018. When removing the \$888 million of states' CCDF MOE required spending, states spent about \$1.4 billion of an updated total \$13.8 billion in TANF MOE funds on direct child care services in FY2019.

^e For a more detailed breakdown of this data, see Appendix 1 and Appendix 3.

In FY2019, over half of all TANF funding that was spent on child care—\$2.8 billion out of a total \$5.04 billion was allocated to direct child care services instead of being transferred to CCDF. Because \$888 million of this direct funding was spent to meet CCDF MOE requirements, a total of \$2.8 billion was obligated on direct services not subject to health and safety standards enforced by CCDF. Therefore, more than half of the TANF funding spent on child care was not subject to the minimum health and safety standards, eligibility requirements, or other rules established through CCDF.

Still, TANF provides substantial contributions to CCDF which augment congressional appropriations. In FY2019, CCDF was appropriated at \$8.19 billion, though when including the \$1.3 billion in TANF transfers reported by states in the same year, total CCDF funding was \$9.49 billion.

Figure 3: Total CCDF Spending, FY 2019



Trends in TANF Spending on Child Care

The last five years have ushered in a new era for child care, including enhanced policies, funding, and public perception toward the essential nature of child care on both an individual and nationwide scale.

Beginning with the bipartisan reauthorization of the Child Care and Development Block Grant in 2014, states began instituting minimum health and safety requirements and complying with conditions to spend more on quality improvements. These quality improvements have a far reach beyond supporting the children and families receiving CCDF subsidy, in that all children attending a child care program serving subsidy-recipient children benefit from the improvements under the law.

Funding for CCDF has also grown over the last several years. As noted, in March 2018, Congress passed the single largest increase in the CCDF program's history—an additional \$2.37 billion in discretionary funding, effectively doubling discretionary funding to a total of \$5.2 billion, and increasing total CCDF funding from \$5.7 billion in FY2017 to \$8.14 billion in FY2018. Funding was again increased in FY2019 and FY2020 by \$50 million and \$55 million, respectively.²²

Despite the growing recognition of the importance of a well-functioning child care market and the need to help low-income families access affordable care, the relatively drastic funding increases to CCDF since 2018 had the potential unintended consequence of leading states to reduce their TANF transfers to CCDF instead shifting to direct child care services or spending within other areas of TANF all together. Each of these actions could have devastating impacts for low-income working families—who rely on a child care subsidy to find a job and continue working—as well as on their children who deserve safe, high-quality child care arrangements.

These actions would also seemingly contradict congressional intent to expand the availability of child care subsidies through CCDF. If states were to cease all TANF transfer activity in 2018 (\$1.54 billion) in favor of other priorities, they would negate almost two-thirds of the increased congressional investments to CCDF (\$2.37 billion) for that same year.

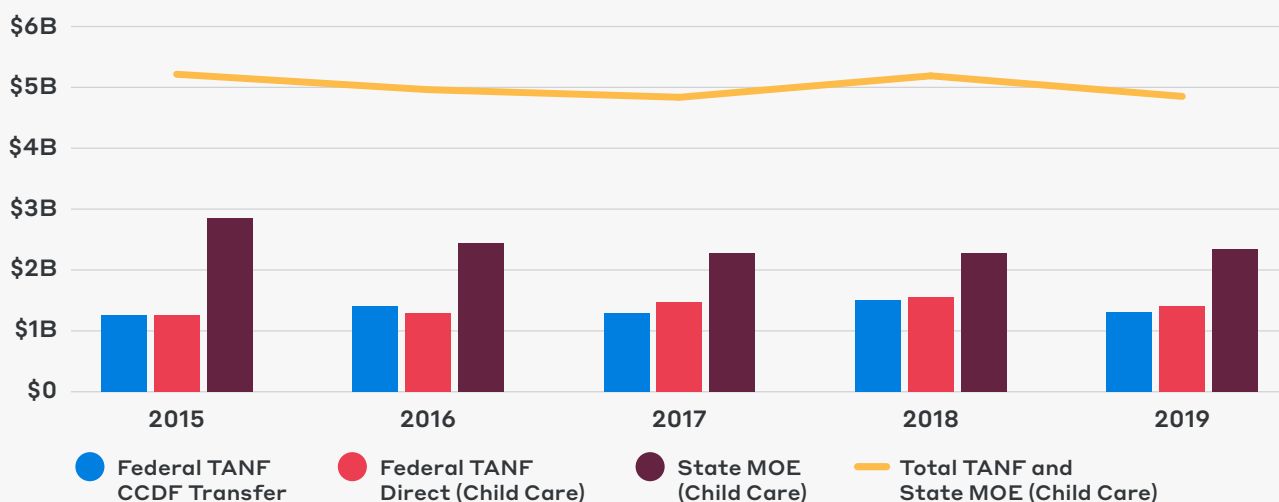
Therefore, it is essential to analyze whether states are continuing to augment CCDF through TANF transfers or are instead changing their spending priorities.

FIVE YEAR TRENDS

The latest five years of TANF data (between FY2015 and FY2019) shows total TANF funding on child care—from both federal and state MOE sources—has decreased nearly 9%, as seen on the trend line below. Yet, total child care spending has fluctuated, both in total and across the various types of spending on child care allowed under the TANF program.²³ **Specifically, between 2015 and 2019 there was a 4% increase in transfers to CCDF, a 12% increase in federal direct spending, and a 17% decrease in states' MOE child care contributions.**

Each year, the split of total TANF child care funding from federal and state sources has been close to equal, though there has been an increasing reliance on federal contributions: 54% of all child care funding reported for TANF was from federal sources in 2019—an increase from 47% in 2015. Notably, the last five years have seen constant increases in federal direct spending on child care, indicating states might be favoring this spending mechanism over transferring these funds to CCDF.

Figure 4: 5-Year TANF Spending Trends on Child Care



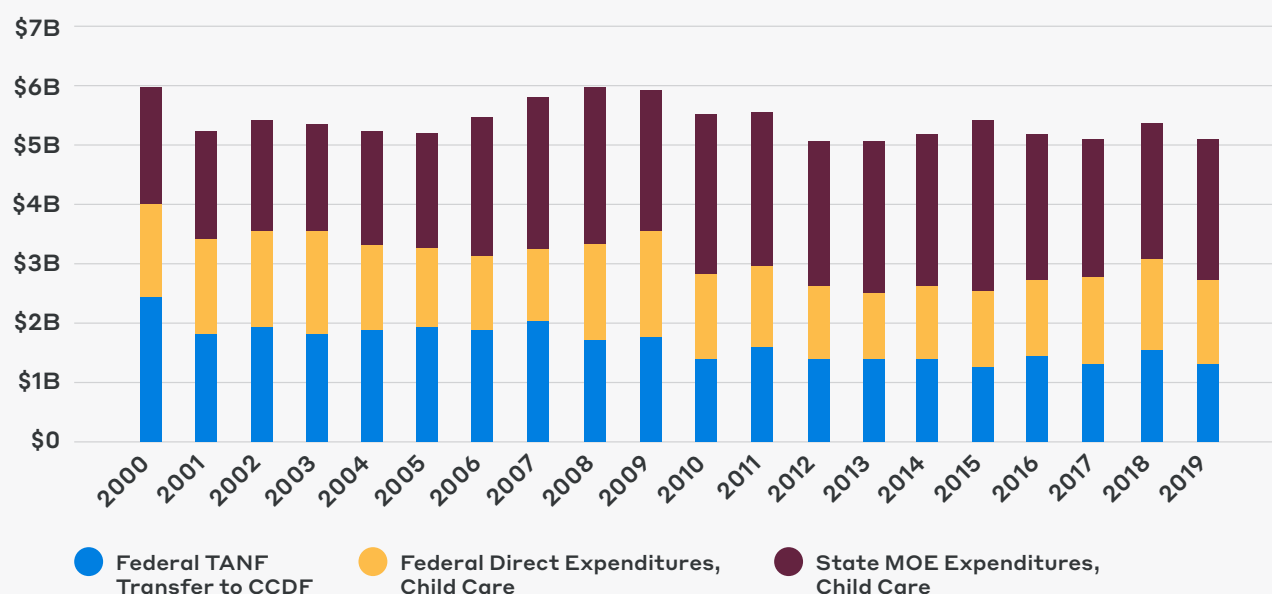
Concerns that policy changes and funding increases to CCDF would bring corresponding decreases in TANF transfers to CCDF are undercut because states have slightly increased amounts transferred. However, between 2015 and 2019 states increased direct spending on child care from federal TANF funds by \$154 million, while increasing transfers by \$51 million. **In other words, less than a quarter of states' increased federal TANF spending on child care was transferred to CCDF—\$51 million out of \$205 million.**

There is also evidence that states began decreasing their transfer amounts and overall spending due to the increases in CCDF appropriations which started in 2018. States decreased both total TANF spending on child care as well as transfer amounts to CCDF in 2019, compared to 2018. However, the total amount transferred to CCDF in 2019 was still above both 2015 and 2016 transfer levels. Because states often don't expend their discretionary CCDF funds in the year they receive them, it will be important to keep tracking states' activities with regards to their TANF child care allocations, particularly as these higher funding levels are the new baseline and as new funding becomes available within CCDF.

20-YEAR TRENDS

Comparable data on TANF spending is available for the last 20 years.²⁴ While the trends over the last five years can help us understand recent state decisions and priorities, analyzing data over a longer period provides key information about how the program has been administered, particularly given the fact that TANF has not been comprehensively reauthorized during this time frame. Additionally, this data provides information prior to the 2014 reauthorization of the CCDBG which shows states are consistently allocating more TANF funds to direct child care services rather than transferring these funds to CCDF. Lastly, the Great Recession between 2007-09 caused investments in child care to stall, and despite the congressional response providing economic stimulus through the American Recovery and Reinvestment Act of 2009 (ARRA), spending in child care through TANF never fully recovered.

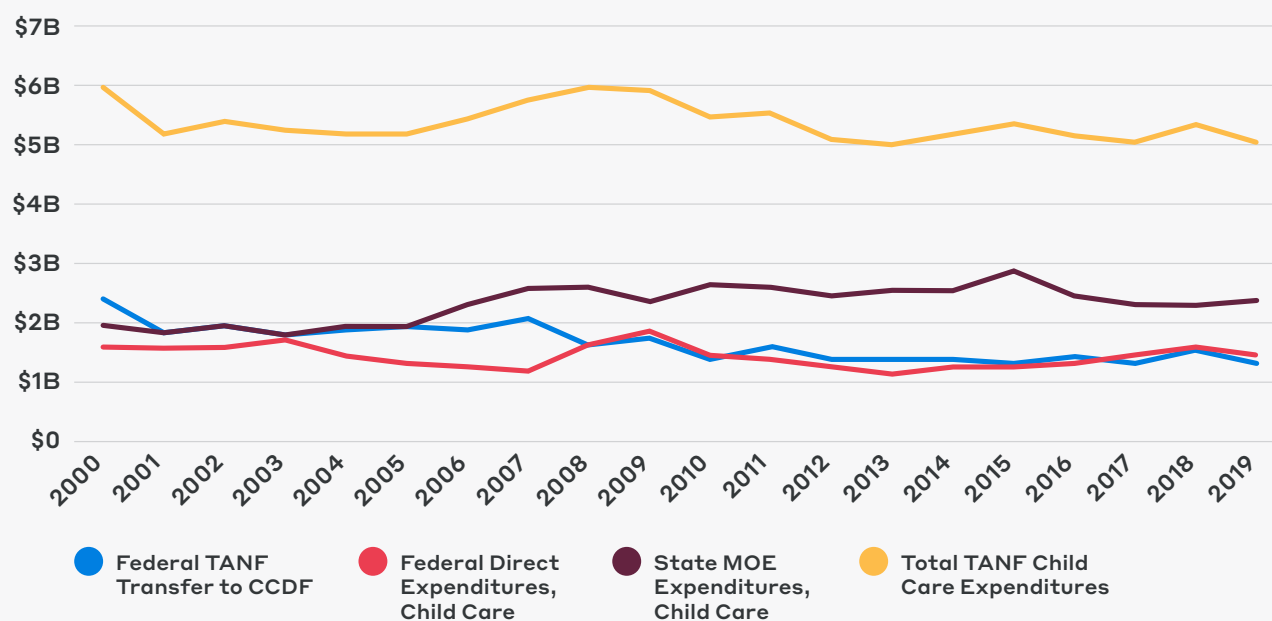
Figure 5: Total TANF Funding on Child Care 2000 - 2019



Since 2000, states have spent an annual average of about \$5.3 billion of their TANF funds on child care assistance, including transfers to CCDF and direct spending from both federal and state sources. However, total TANF spending on child care since 2000 has decreased by close to \$1 billion. Of concern, states spent just \$22 million more on child care assistance in 2019 than they did at their lowest point, which occurred in 2013. Spending had been increasing until the economic recession in 2008. Despite Congress providing an extra \$5 billion within ARRA for a new TANF Emergency Contingency Fund to be spent in FY2009 and FY2010 (not reflected in the data in this report), total TANF spending on child care decreased after 2008 and has not recovered to pre-recession levels.²⁵

This declining trend over time causes concern that states are no longer prioritizing child care spending as an assistance category within TANF. Further, adjusting for inflation means that impacts of such funds have significantly declined over the years beyond their monetary amounts. Lastly, variations in the ways states have spent their money on child care have emerged over the years, the details of which are further analyzed below.

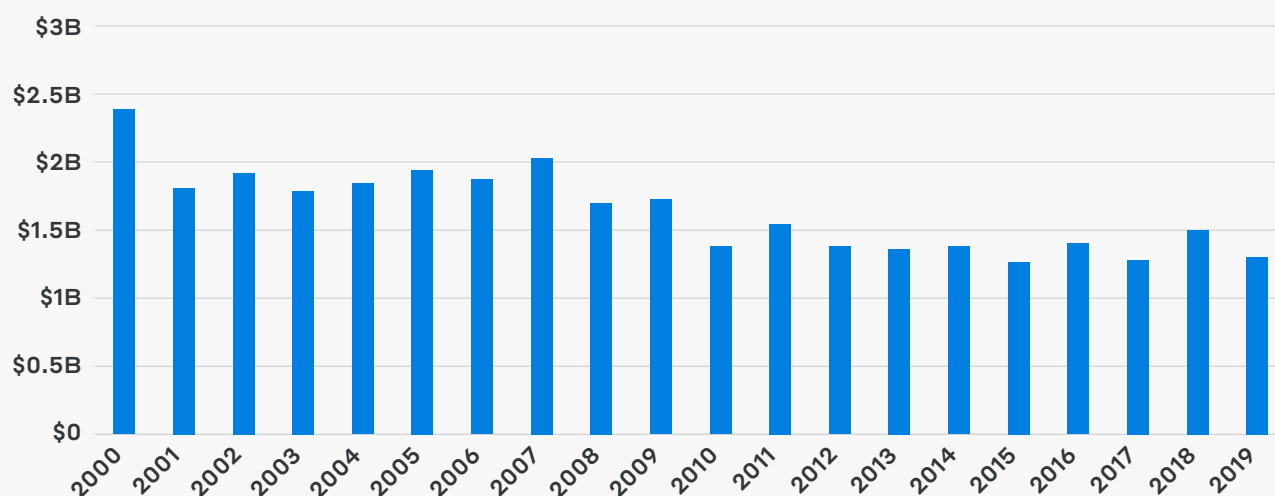
Figure 6: Trends in TANF Spending 2000 - 2019



Transfers to CCDF. Over time, more states are side-stepping the minimum health and safety regulations established by CCDF by relying more heavily on direct spending on child care within the TANF program, which does not require adherence to such standards, rather than transferring funds to CCDF. Since 2000, the amount of TANF funds states report transferring to CCDF have decreased by nearly half—over \$1 billion. During the same time, the total spending on child care within TANF has decreased by only about \$875 million,

meaning the other areas of TANF spending on child care have had to make up the difference—primarily increases in state MOE contributions, described later. Of note, the declining trend begins in 2008, coinciding with the economic crisis, and fully drops off in 2010, never recovering from pre-recession levels.

Figure 7: TANF Funding Transferred to CCDF 2000 - 2019

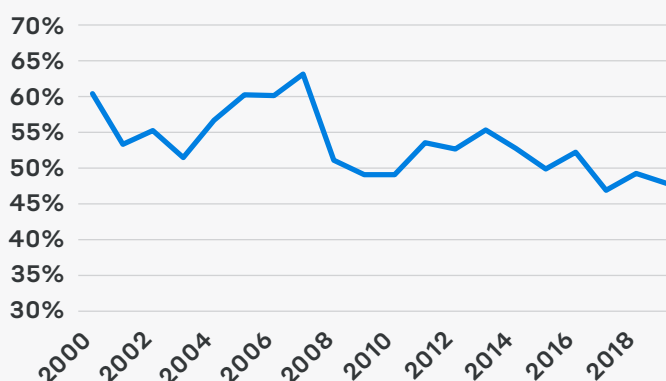


Because the total spending on child care through the TANF program fluctuates each year, it is also important to look at the proportion of TANF child care spending that is transferred to CCDF. As with total funds transferred, the percentage of child care spending that is transferred has also declined over time. In 2019, 48% of federal child care spending through TANF was transferred to CCDF—a decrease from the year 2000 when 61% was transferred. Again, notably, a huge decline occurs during the economic crisis of 2008, and the trends never recover to pre-recession levels.

In addition to the overall proportion of funds transferred, the number of states transferring funds has also steadily declined. In 2000, 46 states transferred TANF funds to CCDF, compared to just 26 in 2019. Since 2012, there has never been a year when more than 30 states transferred TANF funds to CCDF.

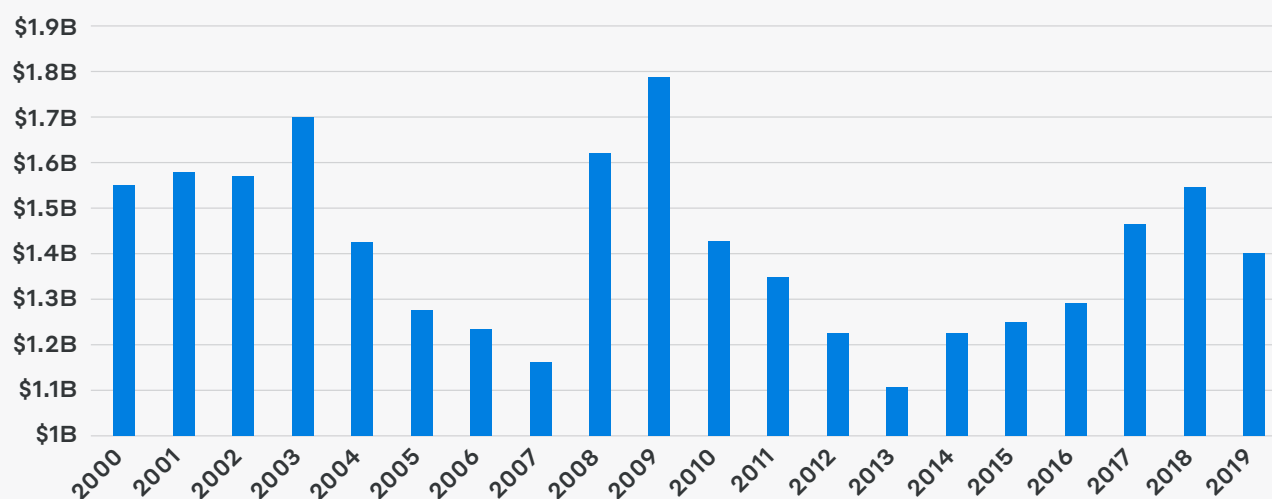
Direct Spending on Child Care. Over the last 20 years, there is not one clear trend to describe this category of spending. One important trend to point out is the increase in spending

Figure 8: Percent of Federal TANF Child Care Spending Transferred to CCDF 2000 - 2019



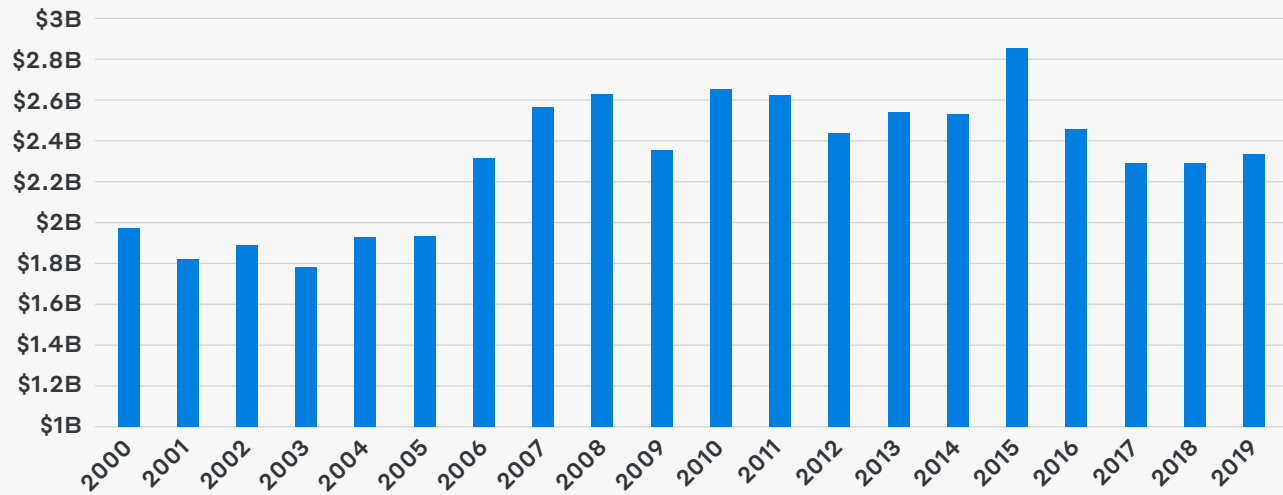
corresponding with the 2014 reauthorization of the CCDF. States have consistently allocated more TANF funds to direct child care services rather than transferring funds to CCDF, particularly beginning in 2017 when states were truly feeling the impacts of the law. This could be an indication that states are increasingly offering TANF child care assistance through direct services rather than through supplementing the CCDF program, thereby sidestepping the minimum standards required by the 2014 reauthorization.

Figure 9: Federal TANF Direct Child Care Expenditures 2000 - 2019



State MOE on Child Care. Since 2000, states have spent an average of \$2.3 billion annually of their own state funds on child care assistance that counted towards their TANF MOE. The amount of funding states report in this category has generally declined since 2010, despite a surge in 2015. Therefore, states are spending in other areas that count toward their MOE, perhaps because of the reauthorization of and increases in congressional appropriations to the CCDF offsetting states' own investments in the area. In other words, it is possible that declining state investments could be made up for by increased federal investments, holding total investments in child care steady at the very least.

Figure 10: State TANF MOE Expenditures, Child Care 2000 - 2019



It is important to remember that the \$888 million in aggregate state spending required for the CCDF Maintenance of Effort may also be counted by states for their TANF Maintenance of Effort spending. Therefore, in any given year, a maximum of \$888 million may be removed from these state spending totals to calculate the amount states are spending on TANF MOE expenditures related to child care that are not subject to the minimum health and safety standards established in CCDF. Since data from the FY2019 state TANF expenditure sheets published by HHS includes the CCDF MOE funds in states' TANF MOE amounts, for purposes of this report, it is also included in years 2000 through 2019.²⁶

Intersection of TANF and CCDF Funding

While levels of funding for child care assistance through TANF and CCDF are critical, the ways in which these funds are allocated are equally important. Changes in the way states are spending TANF funds on child care services over time—favoring direct spending over transferring to CCDF—have real impacts on the children and families who rely on these essential services.

Importantly, as Congress has slowly provided increases to CCDF over time, states have, accordingly, slowly decreased their transfers to CCDF from their TANF funds.²⁷ **This means that while Congress appropriated additional funding for child care, the decline in transfers muted their impact: Total funding for the CCDF program including TANF transfers only rose 19% between 2000 and 2017, despite a 63% increase appropriated to CCDF by Congress during that same time.**

Data indicates states are relying less on TANF transfers to provide child care services in favor of directly spending their TANF money on child care services. Specifically, the percent of all TANF funds states spent on child care that were transferred to CCDF has dropped significantly from 40% in 2000 to 25% in 2019. This trend is concerning, given that funds spent directly on child care services are not subject to the minimum health and safety standards established through CCDF.

Figure 11: CCDF Funding and TANF Transfers to CCDF, in Billions of Dollars

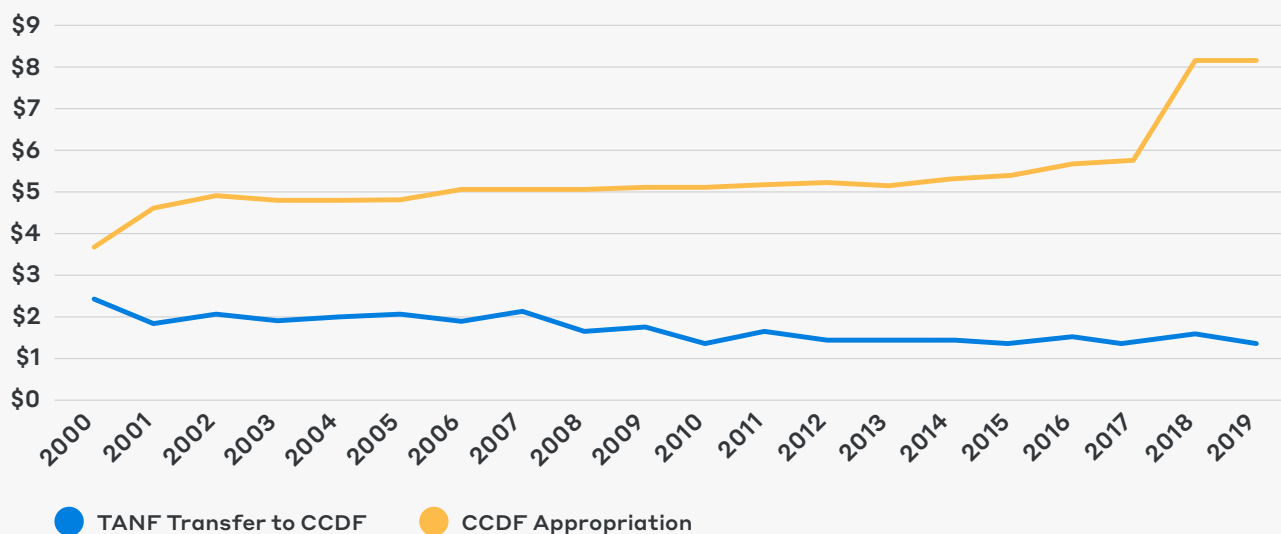


Figure 12: TANF and CCDF Trends, in Billions of Dollars

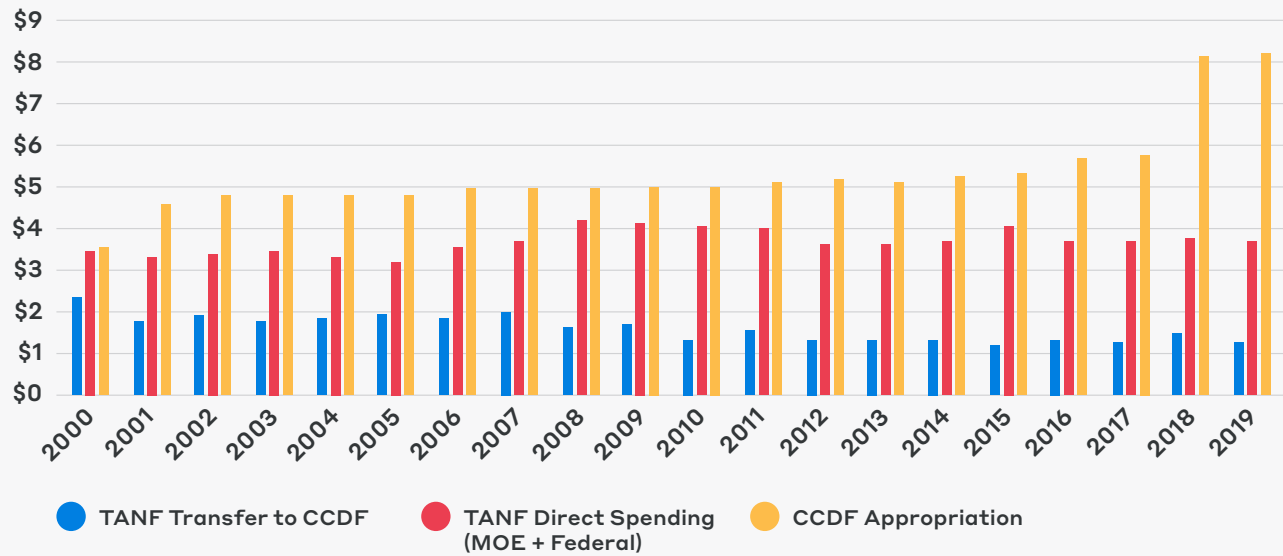
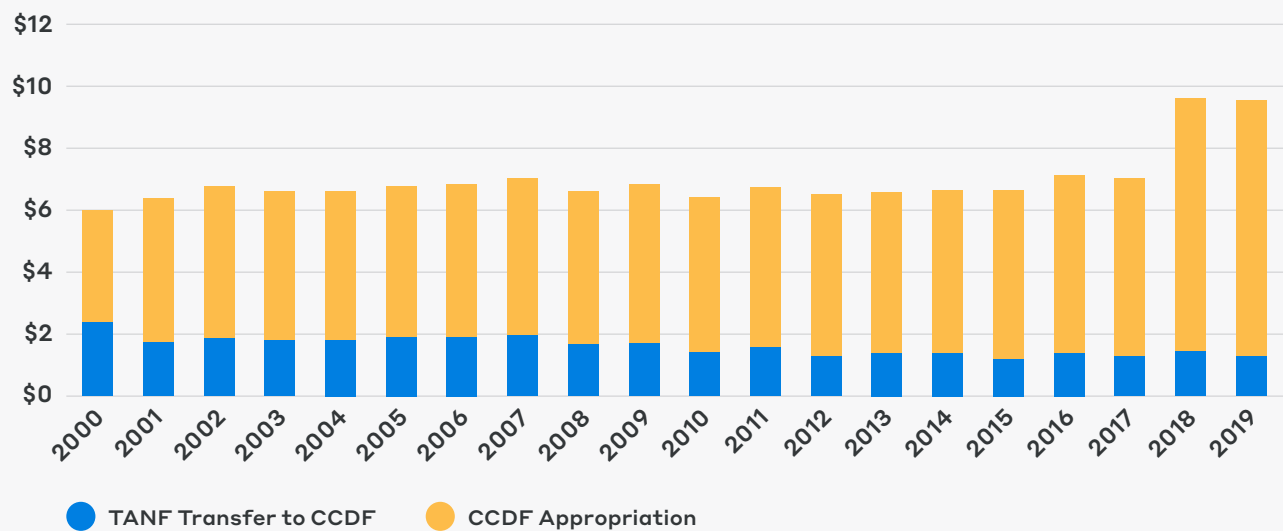


Figure 13: Total CCDF Funding Including TANF Transfers, in Billions of Dollars



Recommendations for TANF Reauthorization

Child care is a critical component of financial security for families, allowing parents to find and keep stable employment and ensuring children have a strong foundation for success in school and in life.²⁸ The TANF program is one of our country's primary safety net programs intended to support low-income families and their children on a path towards self-sustainability and is the second largest public funding source for child care in our country.

Unfortunately, since 2000, the amount of TANF funds states have transferred to CCDF has decreased by \$1.1 billion.

While states have the ultimate flexibility to decide how to provide families assistance through the TANF program, important policy improvements to the CCDF program over time clarify congressional intent that child care assistance for low-income families should be paired with a commitment to upholding minimum health and safety standards. The outdated TANF policies that allow child care spending outside of the minimum standards established by CCDF negate the strong actions by Congress and necessitate updates if our country is to truly support the wellbeing of families and children as they seek self-sustainability and long-term success. To help our country reach the goals established under TANF, Congress must:

1. **Require all Child Care Spending be Transferred to CCDF.** More than half of federal and three quarters of combined state and federal TANF spending on child care are on "direct" services. Expenditures in this category are not subject to the minimum health and safety standards, eligibility requirements, or other rules established through CCDF. The misalignment of requirements and data collection for child care spending contributes to a bifurcated child care system with conflicting requirements, program rules, and standards of quality, both at the federal and state level. This policy also leaves a large portion of children receiving TANF child care assistance to be cared for in programs that may be of lower quality, potentially putting both their health and safety at risk.²⁹

Public funding for child care through TANF should be subject to minimum requirements established and agreed to on a bipartisan basis through CCDF, including health, safety, and reporting requirements. This would ensure proper oversight and accountability of public funding and promote the healthy development of children.

- 2. Increase Transfer Limits.** Current law allows a maximum of 30% of federal TANF funds to be transferred to CCDF and the Social Services Block Grant, collectively, and caps transfers to SSBG at 10%. If all child care spending through TANF were required to be transferred to CCDF, this percentage would also need to be more flexible to allow states to contribute enough funding to child care assistance to meet their needs in any given year.

In 2019, for instance, 11 states—Delaware, Florida, Illinois, Indiana, Massachusetts, Minnesota, North Carolina, Ohio, Pennsylvania, Vermont, and Wisconsin—spent 30% or greater of their total TANF funding on child care assistance in all forms, including direct and transfers. An additional four states—Idaho, Iowa, Oklahoma, and Rhode Island—spent 25% or more of their total TANF funds on child care assistance. Each of these states and any others who wish to increase their total child care spending levels would be restricted in their ability to do so if this policy is not instituted along with the first recommendation.

- 3. Strengthen Data Reporting and Analysis of Tribal TANF.** Despite robust monthly and quarterly data collection requirements required of tribes by the law, there is minimal publicly available information about the demographic recipients of tribal TANF dollars.³⁰ While the Administration for Children and Families (ACF) has released basic reports such as data tables with the total number of families, children, and adults served by each tribe, the law requires tribes to report on additional demographic information such as marital status, educational attainment, and a breakdown of the types of activities the adults may have participated in, to name a few.³¹ The gaps in available information reported by ACF make it nearly impossible to understand the impact or inform any future reauthorization of the law. As such, this report does not go into detail about the impacts TANF has on tribal communities. Because it is incumbent upon tribes to report on a monthly and quarterly basis, ACF should ensure the data and any relevant analysis is made publicly available in a timely manner.

Appendix 1: State TANF Spending on Child Care, FY2019

STATE	Federal TANF Funds		State Funding, TANF MOE Contributions	% TANF Child Care Spending Transferred to CCDF			% TANF Child Care Spending Transferred to CCDF
	TANF Transferred to CCDF	TANF Direct on Child Care	Direct Child Care Services*	TANF Transferred to CCDF	TANF Spent Directly on Child Care*	Total, TANF Child Care Spending	
Alabama	\$0	\$6,863	\$5,517,134	\$0	\$5,523,997	\$5,523,997	0%
Alaska	\$8,879,493	\$2,663,321	\$3,239,460	\$8,879,493	\$5,902,781	\$14,782,274	60%
Arizona	\$0	\$0	\$0	\$0	\$0	\$0	N/A
Arkansas	\$0	\$2,659,737	\$0	\$0	\$2,659,737	\$2,659,737	0%
California	\$0	\$129,615,131	\$668,225,895	\$0	\$797,841,026	\$797,841,026	0%
Colorado	\$1,293,864	\$437,208	\$10,691,386	\$1,293,864	\$11,128,594	\$12,422,458	10%
Connecticut	\$26,678,810	\$0	\$14,806,028	\$26,678,810	\$14,806,028	\$41,484,838	64%
Delaware	\$0	\$14,957,152	\$64,124,311	\$0	\$79,081,463	\$79,081,463	0%
District of Columbia	\$0	\$36,947,695	\$22,169,365	\$0	\$59,117,060	\$59,117,060	0%
Florida	\$110,005,981	\$68,228,597	\$112,343,092	\$110,005,981	\$180,571,689	\$290,577,670	38%
Georgia	\$0	\$0	\$0	\$0	\$0	\$0	N/A
Hawaii	\$0	\$1,000,000	\$10,971,630	\$0	\$11,971,630	\$11,971,630	0%
Idaho	\$7,804,095	\$4,313,163	\$1,175,820	\$7,804,095	\$5,488,983	\$13,293,078	59%
Illinois	\$0	\$113,084,549	\$382,171,371	\$0	\$495,255,920	\$495,255,920	0%
Indiana	\$61,835,002	\$41,283,900	\$20,045,435	\$61,835,002	\$61,329,335	\$123,164,337	50%
Iowa	\$26,205,412	\$22,020,297	\$7,390,376	\$26,205,412	\$29,410,673	\$55,616,085	47%
Kansas	\$0	\$0	\$6,673,024	\$0	\$6,673,024	\$6,673,024	0%
Kentucky	\$0	\$5,071,924	\$25,418,428	\$0	\$30,490,352	\$30,490,352	0%
Louisiana	\$0	\$0	\$10,741,970	\$0	\$10,741,970	\$10,741,970	0%
Maine	\$15,369,300	\$11,534,524	\$1,760,164	\$15,369,300	\$13,294,688	\$28,663,988	54%
Maryland	\$0	\$6,026,132	\$441,467	\$0	\$6,467,599	\$6,467,599	0%
Massachusetts	\$91,570,224	\$198,232,364	\$44,973,368	\$91,570,224	\$243,205,732	\$334,775,956	27%
Michigan	\$8,300,000	\$0	\$19,529,091	\$8,300,000	\$19,529,091	\$27,829,091	30%
Minnesota	\$49,658,000	\$0	\$117,254,791	\$49,658,000	\$117,254,791	\$166,912,791	30%
Mississippi	\$0	\$0	\$1,715,430	\$0	\$1,715,430	\$1,715,430	0%
Missouri	\$0	\$14,145,647	\$17,314,434	\$0	\$31,460,081	\$31,460,081	0%
Montana	\$7,340,000	\$623,145	\$1,313,990	\$7,340,000	\$1,937,135	\$9,277,135	79%
Nebraska	\$16,559,787	\$0	\$6,498,998	\$16,559,787	\$6,498,998	\$23,058,785	72%
Nevada	\$7,299,820	\$11,846	\$14,654,369	\$7,299,820	\$14,666,215	\$21,966,035	33%
New Hampshire	\$7,700,000	\$100	\$4,581,872	\$7,700,000	\$4,581,972	\$12,281,972	63%

STATE	Federal TANF Funds		State Funding, TANF MOE Contributions	% TANF Child Care Spending Transferred to CCDF			% TANF Child Care Spending Transferred to CCDF
	TANF Transferred to CCDF	TANF Direct on Child Care	Direct Child Care Services*	TANF Transferred to CCDF	TANF Spent Directly on Child Care*	Total, TANF Child Care Spending	
New Jersey	\$72,000,000	\$23,250,625	\$68,653,802	\$72,000,000	\$91,904,427	\$163,904,427	44%
New Mexico	\$32,975,954	\$0	\$0	\$32,975,954	\$0	\$32,975,954	100%
New York	\$365,827,438	\$149	\$101,983,998	\$365,827,438	\$101,984,147	\$467,811,585	78%
North Carolina	\$9,027,505	\$149,900,855	\$39,954,665	\$9,027,505	\$189,855,520	\$198,883,025	5%
North Dakota	\$0	\$0	\$1,116,895	\$0	\$1,116,895	\$1,116,895	0%
Ohio	\$0	\$223,327,949	\$187,204,440	\$0	\$410,532,389	\$410,532,389	0%
Oklahoma	\$24,000,000	\$1,638,967	\$7,074,900	\$24,000,000	\$8,713,867	\$32,713,867	73%
Oregon	\$0	\$5,337,463	\$6,613,206	\$0	\$11,950,669	\$11,950,669	0%
Pennsylvania	\$184,077,013	\$100,826,832	\$221,936,813	\$184,077,013	\$322,763,645	\$506,840,658	36%
Rhode Island	\$0	\$38,810,496	\$6,541,126	\$0	\$45,351,622	\$45,351,622	0%
South Carolina	\$0	\$0	\$4,085,269	\$0	\$4,085,269	\$4,085,269	0%
South Dakota	\$0	\$0	\$802,914	\$0	\$802,914	\$802,914	0%
Tennessee	\$0	\$0	\$0	\$0	\$0	\$0	N/A
Texas	\$0	\$0	\$0	\$0	\$0	\$0	N/A
Utah	\$15,071,188	\$3,376,300	\$4,474,924	\$15,071,188	\$7,851,224	\$22,922,412	66%
Vermont	\$9,224,076	\$586,114	\$22,445,055	\$9,224,076	\$23,031,169	\$32,255,245	29%
Virginia	\$16,607,349	\$590,474	\$21,328,762	\$16,607,349	\$21,919,236	\$38,526,585	43%
Washington	\$64,240,748	\$63,909,249	\$16,338,451	\$64,240,748	\$80,247,700	\$144,488,448	44%
West Virginia	\$0	\$7,050,000	\$2,971,392	\$0	\$10,021,392	\$10,021,392	0%
Wisconsin	\$62,569,196	\$114,591,658	\$24,265,487	\$62,569,196	\$138,857,145	\$201,426,341	31%
Wyoming	\$0	\$1,328,891	\$1,553,707	\$0	\$2,882,598	\$2,882,598	0%
Total	\$1,302,120,255	\$1,407,389,317	\$2,335,088,505	\$1,302,120,255	\$3,742,477,822	\$5,044,598,077	

Prepared by the Bipartisan Policy Center in January 2021.

*Includes state contributions to the CCDF MOE that may also count to the TANF MOE

Source: FY2019 Federal TANF & State MOE Financial Data,
Available at: https://www.acf.hhs.gov/sites/default/files/documents/ofa/tanf_financial_data_fy_2019_91020.pdf

Appendix 2: TANF and CCDF Funding, FY2000-FY2019, in Millions of Dollars

Fiscal Year	TANF Funding		CCDF Funding			Total CCDF Including Transfers	% Transfers of Total CCDF	All Child Care Spending
	Transfer to CCDF	Direct Funding on Child Care, State MOE** + Federal	Mandatory	Discretionary	Total Authorization			
2000	\$2,400	\$3,519	\$2,567	\$1,183	\$3,550	\$5,950	40.34%	\$9,469
2001	\$1,800	\$3,386	\$2,717	\$2,000	\$4,567	\$6,367	28.27%	\$9,753
2002	\$1,926	\$3,456	\$2,717	\$2,100	\$4,817	\$6,743	28.56%	\$10,199
2003	\$1,790	\$3,468	\$2,717	\$2,086	\$4,803	\$6,593	27.15%	\$10,061
2004	\$1,856	\$3,350	\$2,717	\$2,087	\$4,804	\$6,660	27.87%	\$10,010
2005	\$1,937	\$3,197	\$2,717	\$2,083	\$4,800	\$6,737	28.75%	\$9,934
2006	\$1,878	\$3,542	\$2,917	\$2,062	\$4,979	\$6,857	27.39%	\$10,399
2007	\$2,028	\$3,717	\$2,917	\$2,062	\$4,979	\$7,007	28.94%	\$10,724
2008	\$1,679	\$4,236	\$2,917	\$2,062	\$4,979	\$6,658	25.22%	\$10,894
2009*	\$1,727	\$4,126	\$2,917	\$2,127	\$5,044	\$6,771	25.51%	\$10,897
2010	\$1,373	\$4,069	\$2,917	\$2,127	\$5,044	\$6,417	21.40%	\$10,486
2011	\$1,564	\$3,958	\$2,917	\$2,223	\$5,140	\$6,704	23.33%	\$10,662
2012	\$1,358	\$3,664	\$2,917	\$2,278	\$5,195	\$6,553	20.72%	\$10,217
2013	\$1,367	\$3,639	\$2,917	\$2,206	\$5,123	\$6,490	21.06%	\$10,129
2014	\$1,382	\$3,744	\$2,917	\$2,358	\$5,275	\$6,657	20.76%	\$10,401
2015	\$1,251	\$4,096	\$2,917	\$2,435	\$5,352	\$6,603	18.95%	\$10,699
2016	\$1,403	\$3,733	\$2,917	\$2,761	\$5,678	\$7,081	19.81%	\$10,814
2017	\$1,288	\$3,744	\$2,917	\$2,853	\$5,770	\$7,058	18.25%	\$10,802
2018	\$1,498	\$3,828	\$2,917	\$5,223	\$8,140	\$9,638	15.54%	\$13,466
2019	\$1,302	\$3,742	\$2,917	\$5,273	\$8,190	\$9,492	13.72%	\$13,234

Prepared by the Bipartisan Policy Center in January 2021.

*Does not include \$2 billion provided to CCDF or \$5 billion provided to TANF through the American Recovery and Reinvestment Act of 2009, a stimulus package signed into law by President Obama in February 2009.

**Includes state contributions to the CCDF Maintenance of Effort that may also count to the TANF Maintenance of Effort

Sources:

TANF Spending in Federal Fiscal Year 2001, published by The Center on Budget and Policy Priorities. Available here: <https://www.cbpp.org/archives/3-21-02tanf.htm>.

Rachel Schumacher, "The Impact of TANF Funding on State Child Care Subsidy Programs," Center for Law and Social Policy, 2001. Available at: <https://files.eric.ed.gov/fulltext/ED463041.pdf>.

Office of The Assistant Secretary for Planning and Evaluation, "Indicators of Welfare Dependence: Annual Report to Congress," 2013. Available at: <https://aspe.hhs.gov/report/indicators-welfare-dependence-annual-report-congress-2009-2013/table-tanf-5-federal-tanf-and-state-moe-spending-2000-%E2%80%93-2009-millions-dollars>.

TANF Expenditure Data, published by the Office of Family Assistance, 2020.
Available here: <https://www.acf.hhs.gov/ofa/programs/tanf/data-reports>.

Appendix 3: State TANF Spending on Child Care by Spending Category, FY2019

Federal TANF Funds Transferred to CCDF. In 2019, 24 states and the District of Columbia transferred a total of \$1.3 billion in federal TANF funds to CCDF—a 13% decrease from 2018 when \$1.5 billion was transferred. Of the states transferring funds, six decreased funding from the prior year, and one state—Rhode Island—ceased transferring all together in 2019, after transferring funds in 2018. Six states increased the amount transferred over 2018, including two states—Nevada and New Hampshire—that did not transfer any funding in 2018 but did so in 2019. The remaining 12 states did not change the amount of funds they transferred to CCDF from 2018 to 2019. Lastly, a total of 24 states and the District of Columbia did not transfer any funds to CCDF in 2019.

States That Did Not Transfer to CCDF in 2019

1. Alabama
2. Arizona
3. Arkansas
4. California
5. Delaware
6. District of Columbia
7. Georgia
8. Hawaii
9. Illinois
10. Kansas
11. Kentucky
12. Louisiana
13. Maryland
14. Mississippi
15. Missouri
16. North Dakota
17. Ohio
18. Oregon
19. Rhode Island
20. South Carolina
21. South Dakota
22. Tennessee
23. Texas
24. West Virginia
25. Wyoming

States That Transferred to CCDF in 2019

1. Alaska
2. Colorado
3. Connecticut
4. Florida
5. Idaho
6. Indiana
7. Iowa
8. Maine
9. Massachusetts
10. Michigan
11. Minnesota
12. Montana
13. Nebraska
14. Nevada
15. New Hampshire
16. New Jersey
17. New Mexico
18. New York
19. North Carolina
20. Oklahoma
21. Pennsylvania
22. Utah
23. Vermont
24. Virginia
25. Washington
26. Wisconsin

Federal TANF Funds Spent Directly on Child Care. Thirty-five states and the District of Columbia spent more than \$1.4 billion of their federal TANF funds directly on child care services in 2019—a 9% decrease from 2018 when states spent over \$1.5 billion. This was the first year since at least 2016 that states have decreased their direct funding on child care.

Among these 35 states, nine states increased the amount spent over 2018, 26 decreased the amount of spending, and the District of Columbia retained the same level. Comparatively, in 2018, 20 states increased their funding levels in this category, while 14 reduced spending. New Hampshire^f and Wyoming began spending federal funds directly on child care services in 2019, while Arizona stopped doing so.

States That Did Not Spend Federal Funding Directly

Arizona
Connecticut
Georgia
Kansas
Louisiana
Michigan
Minnesota
Mississippi
Nebraska
New Mexico
North Dakota
South Carolina
South Dakota
Tennessee
Texas

States That Spent Federal Funding Directly

Alabama	Iowa	Oklahoma
Alaska	Kentucky	Oregon
Arkansas	Maine	Pennsylvania
California	Maryland	Rhode Island
Colorado	Massachusetts	Utah
Delaware	Missouri	Vermont
District of Columbia	Montana	Virginia
Florida	Nevada	Washington
Hawaii	New Hampshire	West Virginia
Idaho	New Jersey	Wisconsin
Illinois	New York	Wyoming
Indiana	North Carolina	
	Ohio	

States Spending No Federal TANF Funds on Child Care. The following nine States did not spend any federal TANF funding on child care through either transfers or direct spending. The remaining 41 states and DC spent an average of \$66 million.

Arizona
Georgia
Kansas
Mississippi
North Dakota
South Carolina
South Dakota
Tennessee
Texas

^f New Hampshire reported \$100 in this spending category for FY2019, an increase from zero in FY2018.

State MOE Funds Spent on Child Care. In 2019, 44 states and the District of Columbia spent over \$2.3 billion on child care activities that counted toward their TANF MOE—about 2.3%, or almost \$55 million more than they counted in 2018. This is the only category of child care spending within TANF that increased in 2019 when compared to 2018. Child care spending within the state’s MOE accounts for about 15% of the total \$14.7 billion in MOE funds. Additionally, it represents almost half of MOE spent on early childhood programs in 2019; another \$2.5 billion within the state’s MOE was allocated to Pre-K and Head Start, as detailed below, bringing total spending on early childhood programs to \$4.8 billion.

It is important to note the \$888 million in aggregate state spending that is required for the CCDF MOE may also count for this category of spending. Therefore, in any given year, a maximum of \$888 million may be removed from state spending totals to calculate the amount states are spending in aggregate on TANF MOE expenditures related to child care outside of the CCDF health and safety standards. Data from the FY2019 state TANF expenditure sheets published by HHS includes these CCDF MOE funds in states’ TANF MOE amounts. For purposes of this report, it is also included in these lists.³²

Just six states did not count any child care funding towards their MOE in 2019. Each of these states, with the exception of Georgia, also did not count any child care funding toward their MOE in 2018. Arizona and Georgia also did not count any Pre-K or Head Start funding toward their MOE, meaning these two states counted no early childhood spending toward their MOE in 2019.

**No Reported MOE
on Child Care**

Arizona
Arkansas
Georgia
New Mexico
Tennessee
Texas

**Reported MOE on
Child Care**

Alabama	Missouri
Alaska	Montana
California	Nebraska
Colorado	Nevada
Connecticut	New Hampshire
Delaware	New Jersey
District of Columbia	New York
Florida	North Carolina
Hawaii	North Dakota
Idaho	Ohio
Illinois	Oklahoma
Indiana	Oregon
Iowa	Pennsylvania
Kansas ^g	Rhode Island ^h
Kentucky	South Carolina
Louisiana	South Dakota
Maine	Utah
Maryland	Vermont
Massachusetts	Virginia
Michigan	Washington
Minnesota	West Virginia
Mississippi	Wisconsin
	Wyoming

^g Kansas reported \$1 in increased funding in this category for FY2019.

^h Rhode Island reported an additional \$80 in this category in FY2019.

State TANF MOE on Pre-K and/or Head Start. A total of 26 states spent \$2.6 billion of their TANF funds on Pre-K and Head Start in 2019. The remaining states and the District of Columbia did not allocate any of their state MOE funds to Pre-K and/or Head Start programs. Additionally, six states—Colorado, Idaho, Louisiana, Maine, New Mexico, and Utah—spent federal TANF funds on Pre-K and/or Head Start in FY2019, with each of these six states also spending some of their MOE.

No Spending

Alaska
 Arizona
 California
 Delaware
 District of Columbia
 Florida
 Georgia
 Hawaii
 Indiana
 Iowa
 Kentucky
 Massachusetts
 Mississippi
 Missouri
 Montana
 Nebraska
 New Hampshire
 North Dakota
 Ohio
 Rhode Island
 South Dakota
 Utah
 Vermont
 West Virginia
 Wisconsin
 Wyoming

MOE Spending on Pre-k/Head Start

Alabama
 Arkansas
 Colorado
 Connecticut
 Idaho
 Illinois
 Kansas
 Louisiana
 Maine
 Maryland
 Michigan
 Minnesota
 Nevada
 New Jersey
 New Mexico
 New York
 North Carolina
 Oklahoma
 Oregon
 Pennsylvania
 South Carolina
 Tennessee
 Texas
 Utah
 Virginia
 Washington

Endnotes

- 1 The Child Care and Development Fund, or CCDF, is the main federal funding source for child care in our country. The 30% limit applies to combined amounts transferred to the CCDF and/or the Social Services Block Grant (SSBG); therefore, if states transfer funds to SSBG, the amount they may transfer to CCDF is reduced proportionately.
- 2 Administration for Children and Families, *FY 2019 Federal TANF and State MOE Financial Data*, Table A.1.: Federal TANF and State MOE Expenditures Summary by ACF-196 Spending Category, FY2019, Transferred to CCDF Discretionary, 2020. Available at: https://www.acf.hhs.gov/sites/default/files/documents/ofa/tanf_financial_data_fy_2019_91020.pdf.
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