

Child care subsidies jeopardized by the shutdown ^[1]

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EXCERPTS:

With the government shut down, the programs that give low-income parents subsidies to afford the sky-high costs of child care aren't receiving any federal money. While the programs are funded by both mandatory and discretionary funds, both are on hold: The discretionary money isn't flowing without the government open and the mandatory money stopped when Temporary Assistance for Needy Families (TANF) wasn't extended, as it is another source of funds. While the subsidies are funded with a mix of state and federal dollars, some states may not have much in their reserves to dip into to cover the costs for needy parents.

Because the block grant that funds these subsidies allows states to spend the money over several years, "most states have prior year funds they can rely on right now," Hannah Matthews, director of child care and early education at CLASP, told ThinkProgress. They also spend their own money throughout the year, so her organization has urged them to spend what is needed now and claim what they are owed to the federal government when the funds are available again.

But some states may not be in a situation to cover the costs. It will depend on how much funding they had from the prior year, but those reserves have already taken a beating. States had to absorb a \$30 million cut from sequestration, which could have been taken out of carry over money, said Helen Blank, director of child care and early learning at the National Women's Law Center. On top of that, TANF funding has dropped and the extra money from the stimulus bill has dried up. "Generally the states that have less state money invested are going to be worse off," she added.

Matthews said that while they haven't been able to track it systematically, "anecdotally from checking in with a few states, the range is very large." Some states could end up having problems covering the costs in a few weeks, while for others it would be a few months.

"It's slightly hard to predict, but I think we're on thin ice," Blank said. "If this thing goes on, you'll start to see the impact on child care."

Child care is incredibly expensive in this country, costing more than median rent for an infant and a four-year-old in all 50 states and DC. Some parents are able to rely on Head Start as a free, quality place to leave their children when they go to work, but the shutdown is threatening those classrooms with closures and more than 57,000 children have already been kicked out thanks to sequestration.

-reprinted from Think Progress

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