



Recommendations for Using Federal Stimulus Child Care Funds

Nationwide, \$2 billion is now available for child care with the goal of serving more children and creating jobs. **Georgia's share of the stimulus funds is \$82.8 million**, which includes \$10.8 million for quality improvement. There is no state match required or strings attached. The American Recovery and Reinvestment Act of 2009 (ARRA) is providing these stimulus funds through the Child Care and Development Block Grant (CCDBG). These funds must "supplement, not supplant state general revenue funds for child care assistance for low-income families."

Georgia will receive about \$72 million in new CCDBG funds for subsidized child care through September 30, 2010 through the ARRA.

Georgia's Children and Parent Services (CAPS) program, which provides subsidized child care for children in low-income working families and families with parents engaged in education or training, draws its funds primarily from the federal CCDBG.

CAPS currently serves a monthly average of 54,000 children, representing a fraction of eligible children. In fact, there are 300,000 eligible children under age 6 living in families with incomes below 150 percent of the federal poverty level (\$25,755 annual income for a family of 3).

Recommendations

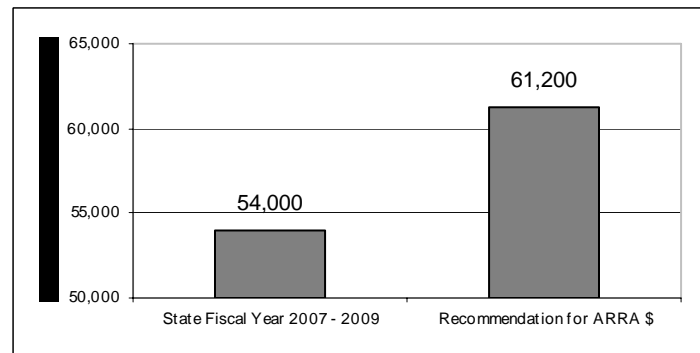
New CCDBG funds will provide vital support for low-income families eager to work, and the funds will go directly into Georgia's economy. The sooner Georgia uses the federal stimulus funds, the faster Georgia's economy is likely to improve.

1. Eliminate the CAPS waitlist and serve 58,000 to 61,200 children now through September 30, 2010. DHR should serve an additional 4,000 to 7,200 children at an approximate annual cost of \$14.7 million to \$26.4 million.

2. Extend job search period after job loss for child care recipients from four weeks to three months.

3. Waive copayments (or "family fees") for families with incomes under the current poverty level, as do 12 other states. A Georgia family of 3 at 100 percent of poverty would save \$123 per month, or 9 percent of the family's income.

4. Update CAPS income eligibility definition now from 2005 poverty levels to 2009 levels and update definition annually.



A full report is available at www.gbpi.org/doc.

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