



# CENTER ON BUDGET AND POLICY PRIORITIES

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## HOUSE TANF REAUTHORIZATION BILL AND CONGRESSIONAL BUDGET RESOLUTION DO NOT INCREASE CHILD CARE FUNDING BY \$3.3 BILLION

By Sharon Parrott

A spokesperson for Senate Majority Leader Bill Frist (R-TN) recently stated that the Senator supported an increase of \$3.3 billion in child care funding.<sup>1</sup> This figure, which is apparently based on provisions in the Congressional Budget Resolution and the House-passed TANF reauthorization Bill (H.R. 4), is extremely misleading. The figure combines “mandatory” funding which commits Congress to specified funding level with a “discretionary authorization” which leaves the funding decision up to the Appropriations Committee each year.

The \$3.3 billion figure includes *only \$1 billion in increased mandatory child care funding*, or \$200 million per year, over the 2004-08 period. This is extremely low, particularly given that there was strong bipartisan support in the Senate last year for providing \$5.5 billion, or roughly \$1 billion per year, in mandatory child care funding. Without this \$5.5 billion boost in funding, low-income working families will lose access to child care — even before the costs to states of new TANF work requirements are factored in. If Congress provides only the additional \$200 million per year in mandatory child care funding included in H.R. 4, an estimated *183,000 children* in low-income working families would lose child care by 2006. This figure would rise to *324,000* by 2008.<sup>2</sup> These figures would be still *higher* if states are mandated to meet higher work participation requirements (which they would be required to do under both H.R. 4 and the Senator Grassley’s TANF reauthorization proposals now being discussed).

The remaining \$2.3 billion that makes up the \$3.3 billion figure cited by Senator Frist’s spokesperson represents an increase in the *discretionary authorization* level for child care. These funds would still have to be approved in the annual appropriations process, and are unlikely to materialize, given the constraints on discretionary spending in recent years. Indeed, both the House and Senate versions of the 2004 Labor-HHS appropriations bills fail to provide the increase called for in H.R. 4, instead funding child care at 2002 levels.

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<sup>1</sup> “Proposed Measure Could Help Families Pay for Child Care,” Bonna de la Cruz, *The Tennessean*, July 13, 2003.

<sup>2</sup> See “New Child Care Resources Are Needed To Prevent The Loss Of Child Care Assistance For Hundreds Of Thousands Of Children In Working Families,” by Sharon Parrott and Jennifer Mezey. This report provides estimates of the loss of child care slots that would be expected to occur in the absence of additional child care resources. The figures presented in the text above differ because they take into account an increase in child care funding of \$200 million per year.