

Legislative Update

February 27, 2026

Revenue Legislation for CCPP

- Revenue for CCPP
 - TANF Funding for CCPP (SB 2464)
 - Vehicle for State CCPP Appropriation (HB 1909)

All this info is subject to change

What does Child Care Subsidy Revenue Look Like Right Now?

- Federal CCDF Block Grant
 - \$138.2 million in federal CCDF funds (12% quality set-aside)
 - 30% transfer of current-year federal TANF Block Grant dollars to CCDF - \$25.9 million (*maximum allowed for transfer to CCDF but no federal limit on TANF direct child care spending*)
 - State MOE: \$1,715,430 (required state match)
 - State Share of Matching Funds: \$5,986,482 (required state match)
- State General Fund Appropriation 2025
 - \$15 million (served ~2,000 children on the waiting list)
- State reports a shortfall after temporary ARPA money was expended: **\$60 million in additional funds needed**
- CCPP waiting list is 20,000+ families
- CCPP service levels dropped from 36,000 children in April 2025 to 17,500 by December 2025

Tapping into More Federal TANF Revenue for CCPP

Do TANF Rules Allow Expanding Access to Affordable Child Care?

HERE ARE TWO WAYS STATES CAN USE TANF MONEY FOR CHILD CARE ASSISTANCE:

TRANSFER UP TO 30% OF CURRENT-YEAR TANF FUNDS TO CCDF: MDHS IS ALREADY DOING THIS. THESE TRANSFERRED FUNDS BECOME CCDF DISCRETIONARY FUNDS.

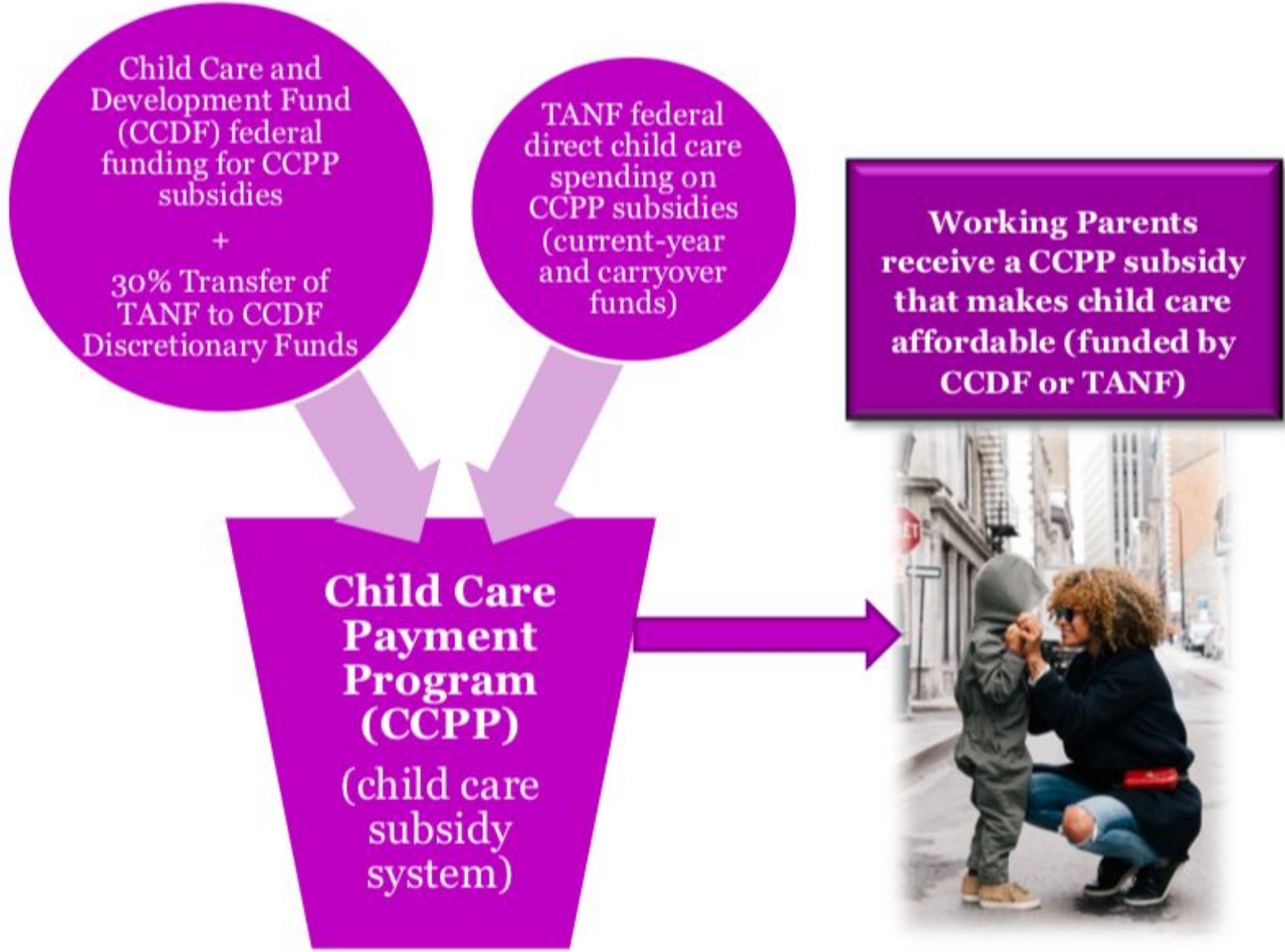
TANF DIRECT SPENDING: USE CURRENT-YEAR **AND** CARRYOVER TANF FUNDS FOR DIRECT CHILD CARE SPENDING UNDER THE "NON-ASSISTANCE" CATEGORY (CHILD CARE FOR EMPLOYED PARENTS AND THOSE IN JOB RETENTION OR ADVANCEMENT ACTIVITIES), ALIGNING WITH CURRENT CCPP ELIGIBILITY REQUIREMENTS AND SPENDING TANF FUNDS DIRECTLY ON CHILD CARE SUBSIDIES FOR FAMILIES QUALIFYING FOR CCPP. THESE SUBSIDIES CAN BE TREATED AS TANF-FUNDED CHILD CARE SUBSIDIES WITHOUT CHANGING THE EXPERIENCE OF WORKING PARENTS.

TANF Spending on Child Care (FY 2023)

Early Care and Education	\$0	\$0	\$0	0.0%
<i>Child Care (Assistance and Non-Assistance)</i>	\$0	\$0	\$0	0.0%
<i>Pre-Kindergarten/Head Start</i>	\$0	\$0	\$0	0.0%

TOTAL EXPENDITURES	\$49,911,777	\$21,724,308	\$71,636,085	73.4%
Transferred to CCDF Discretionary	\$25,944,373		\$25,944,373	26.6%
Transferred to SSBG	\$0		\$0	0.0%
Total Transfers	\$25,944,373		\$25,944,373	26.6%
TOTAL FUNDS USED	\$75,856,150	\$21,724,308	\$97,580,458	100.0%
Federal Unliquidated Obligations	\$0		\$0	
Unobligated Balance	\$156,589,491		\$156,589,491	

Recommended Strategy for Using Federal TANF Funds for Child Care



Braid and Spend: Direct TANF Spending

- Federally allowable
- Ohio's PFCC program serves as a good model for TANF and CCDF blended funding
- FY 2023, 16 states transferred TANF to CCDF and spent TANF funds directly on child care
- In 2025 Texas decided to commit \$100 million in direct TANF spending (pulling from unexpended carryover TANF) on child care "scholarships" – what their Texas Workforce Commission calls their CCDF program

Can CCDF and TANF be aligned to fund more child care through the CCPP in Mississippi?

- TANF funds (current year and carryover) can be spent on “any allowable TANF activity or service”. Child Care is an allowable service.
- DOES NOT REQUIRE creating a separate program and DOES NOT REQUIRE using TANF Cash Assistance rules
- Child Care Assistance vs. Non-Assistance
 - State can spend TANF funds “directly” on child care for working parents that are eligible for the existing CCPP program if treating those parents as TANF participants receiving “non-financial” child care assistance through the state’s CCPP program (not TANF Cash Assistance participants)
 - In this policy framework, a CCPP participant would also be considered a TANF participant receiving child care non-assistance direct services but would not have to also be eligible for/receiving TANF Cash Assistance
- Income Eligibility for Non-Financial Assistance
 - Income Eligibility for the established CCPP program is 85% of state median income, or about 175-200% of the federal poverty level; Mississippi allows TANF spending on non-financial assistance for participants earning up to 350% of the Federal Poverty Level; Therefore, a family receiving CCPP would be considered “needy”
 - Current MDHS TANF-Funded Sub-Grants use this approach for providing TANF services to TANF “non-financial assistance” participants
- Internal Coordination and Federal Reporting
 - TANF Direct Spending Allocation to the division handling child care subsidy payments is conducted internally in states using this approach
 - Inter-departmental coordination of federal reporting requirements would be necessary; Expenditures on TANF direct “child care non-assistance” CCPP subsidies would be reported by the state agency as a federal TANF expenditure and participation would be reported to the federal TANF agency

Current Use of TANF Carryover Funds

- In summer 2025, MDHS issued an RFP
- Child Care is 1 of 12 support services identified
- MDHS strategy for utilizing unexpended TANF funds is to offer sub-grants providing workforce support services to eligible entities serving eligible participants
- We are awaiting the rollout of this strategy and the announcement of sub-grantees
- A substantial portion of unexpended TANF funds (\$156 million in FY 2023) are currently dedicated for this strategy, but **MDHS leadership indicated potentially one-third of this carryover TANF balance is unspent and unobligated – this is promising, but not a commitment**

Legislation: Tapping More TANF for Child Care

- Major Caveat: this funding strategy can be done administratively and does not require legislation
- HB 1450 - Rep. Rickey Thompson
 - Died in committee on Feb 3
 - Would have required both 30% transfer of TANF to CCDF, and re-allocation of all unspent, carryover TANF funds to CCPP for additional TANF-direct-funded subsidies provided the following fiscal year to CCPP-eligible families
- SB 2464 – Sen. Simmons, Sen. Bryan
 - Requires DHS to transfer 30% of TANF to CCDF each year (MDHS is already opting to do this, but this would require it each year)
 - Passed out of Senate Public Health committee and Passed Senate with a reverse repealer
- **EVEN if these bills don't make it this year, we can continue to advocate for adoption of this strategy without legislation by encouraging MDHS to pursue this strategy**
- Recent Sign of progress: “Mississippi considers new strategy to alleviate its child care crisis” <https://mississippitoday.org/2026/01/22/mississippi-child-care-crisis/>

Status SB 2464 – TANF Funding for CCPP

History of Actions:

1	01/19	(S)	Referred To Public Health and Welfare
2	02/03	(S)	Title Suff Do Pass Comm Sub
3	02/11	(S)	Committee Substitute Adopted
4	02/11	(S)	Passed <u>(Vote)</u>
5	02/12	(S)	Transmitted To House
6	02/16	(H)	Referred To Public Health and Human Services; Appropriations A

57th day
Tue., Mar. 3

Deadline for **COMMITTEES TO REPORT** general bills and constitutional amendments originating in **OTHER HOUSE.*+**

65th day
Wed., Mar.11

Deadline for **ORIGINAL FLOOR ACTION** on general bills and constitutional amendments originating in **OTHER HOUSE. ***

66th day
Thur., Mar.12

Deadline for **RECONSIDERATION AND PASSAGE** of general bills and constitutional amendments originating in **OTHER HOUSE.***

67th day
Fri., Mar. 13

Deadline to **DISPOSE OF MOTIONS TO RECONSIDER** general bills and constitutional amendments originating in **OTHER HOUSE.***

Legislation: State Appropriation to CCPP

- MDHS Appropriation bill is currently HB 1909
- MDHS request for \$15 million “level funding” is NOT in the version of HB 1909 that passed the House
- HB 1909 is now with the Senate Appropriations Committee and will likely go to conference committee
- MDHS leadership has indicated the agency needs \$60 million **in additional funds** for CCPP and would dedicate any additional funding appropriated for child care to CCPP, but is not formally requesting this amount due to additional state funds MDHS needs to comply with HR 1 from Congress
- This issue is very much alive, so calls to legislators urging them to increase state appropriations to CCPP are needed!
- It is CRITICAL to ensure state MDHS appropriation bill remains clear of any rule or programmatic changes to CCPP and includes funding only

Status of HB 1909 – MDHS Appropriations Bill

History of Actions:

1	02/16	(H)	Referred To Appropriations C;Appropriations A
2	02/17	(H)	DR - TSDP: A2 To AP
3	02/18	(H)	DR - TSDP: AP To A2
4	02/18	(H)	Title Suff Do Pass
5	02/19	(H)	Passed /Vote/
6	02/20	(H)	Transmitted To Senate
7	02/27	(S)	Referred To Appropriations

71st day

Tue., Mar. 17

Deadline for **ORIGINAL FLOOR ACTION** on appropriation and revenue bills originating in **OTHER HOUSE**.

72nd day

Wed., Mar. 18

Deadline for **RECONSIDERATION AND PASSAGE** of appropriation and revenue bills originating in **OTHER HOUSE**.

73rd day

Thur., Mar. 19

Deadline to **DISPOSE OF MOTIONS TO RECONSIDER** appropriation and revenue bills originating in **OTHER HOUSE**.

74th day

Fri., Mar. 20

Deadline to **CONCUR OR NOT CONCUR** in amendments from **OTHER HOUSE** to appropriation and revenue bills; and deadline for **INTRODUCTION** of local and private bills that are revenue bills.

Call to Action on HB 1909 – CCPP Needs \$60 million

Key Legislators Who Need To Hear From You!

Call Senate Appropriations Chair

Senator Briggs Hopson

Phone: (601) 359-3250

Senator Dennis DeBar Jr.

Phone: (601) 359-3221

Call House Appropriation Chairs

Rep. John Read

Phone: (601) 359-3340

Home: (228) 497-9852

Rep. Angela Cockerham

Phone: (601) 359-3340

Rep. Clay Deweese

Phone: (601) 359-3497

Business: (662) 281-1200

Cell: (662) 202-7093

Questions

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