

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

CHILD CARE ENTITLEMENT TO STATES

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DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Administration for Children and Families  
Child Care Entitlement to States

Amounts Available for Obligation<sup>1</sup>

	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Enacted</u>	<u>2007</u> <u>Estimate</u>
Appropriation:			
Annual.....	\$2,717,000,000	\$2,917,000,000	\$2,917,000,000
Re-appropriation of prior year funds.....	9,237,816		
Total Obligations .....	\$2,726,237,816	\$2,917,000,000	\$2,917,000,000

SUMMARY OF CHANGES

2006 Enacted.....	\$2,917,000,000
Total estimated budget authority.....	2,917,000,000
(Obligations) .....	2,917,000,000
2007 Estimate.....	\$2,917,000,000
(Obligations) .....	2,917,000,000
Net change .....	0
(Obligations) .....	0

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<sup>1</sup> This budget assumes the enactment of S. 1932 (the Deficit Reduction Act of 2005) which reauthorizes the Child Care Entitlement program through 2010.

Child Care Entitlement to States

Budget Authority by Activity

	<u>2005 Enacted</u>	<u>2006 Enacted</u>	<u>2007 Estimate</u>
State Mandatory Funds .....	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Matching Child Care .....	1,478,342,719	1,673,842,719	1,673,842,719
Tribal Mandatory Funds .....	54,340,000	58,340,000	58,340,000
Training and Technical Assistance .....	<u>6,792,500</u>	<u>7,292,500</u>	<u>7,292,500</u>
Total, Budget Authority .....	\$2,717,000,000	\$2,917,000,000	\$2,917,000,000

Budget Authority by Object

	<u>2006 Enacted</u>	<u>2007 Estimate</u>	<u>Increase or Decrease</u>
Rental payments to GSA (23.1) .....	\$30,000	\$30,000	\$0
Printing and reproduction (24.1) .....	16,000	16,000	0
Advisory and assistance services (25.1) .....	6,746,000	6,746,000	0
Grants, subsidies, and contributions (41.0) .....	<u>2,910,208,000</u>	<u>2,910,208,000</u>	0
Total, Budget Authority .....	\$2,917,000,000	\$2,917,000,000	\$0

Child Care Entitlement to States

Authorizing Legislation

	2006 Amount <u>Authorized</u>	2006 <u>Enacted</u>	2007 Amount <u>Authorized</u>	2007 <u>Estimate</u>
Section 418 of the Social Security Act	\$2,917,000,000	\$2,917,000,000	\$2,917,000,000	\$2,917,000,000

APPROPRIATIONS HISTORY TABLE  
Child Care Entitlement to States

<u>Year</u>	Budget Estimate <u>To Congress</u>	<u>Appropriation</u>
1997		\$1,967,000,000
1998		2,070,387,000
1999		2,166,938,000
2000		2,367,000,000
2001		2,567,000,000
2002		2,717,000,000
2003		2,717,000,000
2004		2,717,000,000
2005		2,717,000,000
2006		2,917,000,000
2007	2,917,000,000	

## Child Care Entitlement to States

### Justification

	2005 Enacted	2006 Enacted	2007 Estimate	Increase or Decrease
State Mandatory Funds	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781	\$0
Matching Child Care	1,478,342,719	1,673,842,719	1,673,842,719	0
Tribal Mandatory Funds	54,340,000	58,340,000	58,340,000	0
Training and Technical Assistance	6,792,500	7,292,500	7,292,500	0
<b>Total, BA</b>	<b>\$2,717,000,000</b>	<b>\$2,917,000,000</b>	<b>\$2,917,000,000</b>	<b>\$0</b>

### General Statement

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (P.L. 104-193) combined child care entitlement programs with different target populations (AFDC Child Care, Transitional Child Care and At-Risk Child Care) with the Child Care and Development Block Grant (CCDBG) Act of 1990. Effective October 1, 1996, the discretionary and mandatory child care funding under this Act, designated the Child Care and Development Fund, allows states maximum flexibility in developing child care programs and enables states to use resources more effectively to meet local needs. The Child Care and Development Fund includes Mandatory, Matching, and Discretionary components. (See also discussion in the Child Care and Development Block Grant section.) This budget assumes the enactment of S. 1932 (the Deficit Reduction Act of 2005) which reauthorizes the Child Care Entitlement program through 2010 and adds \$200 million annually over the previous program level of \$2.717 billion.

**Program Description:** The Child Care Entitlement Fund provides grants to states and federally recognized tribes for the purposes of providing low-income families with financial assistance for child care, improving the quality and availability of child care, and establishing or expanding and conducting early childhood programs and before-and-after school programs.

In conjunction with the Child Care and Development Block Grant, these funds will:

- Allow each state maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within each state;
- Promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

- Encourage states to provide consumer education information to help parents make informed choices about child care;
- Assist states in providing child care to parents trying to achieve and maintain independence from public assistance and assist other low-income working parents to maintain quality child care services for their children; and
- Assist states in implementing the health, safety, licensing, and registration standards established in state regulations.

**Mandatory Child Care** — Mandatory funds are allocated to grantees based on historic levels of Title IV-A child care expenditures.

**Matching Child Care** — Matching funds are those remaining after Mandatory funds and the two percent of the appropriation set aside for tribes and tribal organizations are allocated. Matching funds are available to states if three conditions are met by the end of the fiscal year in which Matching funds are awarded: (1) all Mandatory funds are obligated; (2) the state's maintenance-of-effort funds are expended; and (3) the state provides its share of matching funds at the FMAP rate. Unobligated funds not spent by states will be available for reappropriation in the next fiscal year.

**Training and Technical Assistance** — In accordance with program regulations the Secretary may withhold no more than  $\frac{1}{4}$  of one percent of the Child Care Entitlement funds made available for a fiscal year for the provision of training and technical assistance to states.

**Performance Analysis** — See the Child Care and Development Block Grant budget discussion and the Detail of Performance Analysis section in the *Supporting Information* for performance measures related to the Child Care Entitlement Program.

A PART review was conducted as part of the FY 2006 budget process, and the PART Summary and PART Recommendation charts follow the Rationale for the Budget Request.

**Rationale for the Budget Request** — The FY 2007 request of \$2,917,000,000 — the same level included in S. 1932, the Deficit Reduction Act of 2005 — will provide funding to assist states in meeting the critical child care needs of families. The Child Care Entitlement Fund helps states and communities to build the supply of high quality, affordable child care. The funds will continue ACF's commitment to providing resources that allow families to become and remain self-sufficient and productive members of society. These funds also allow families to access quality child care, which promotes child development, literacy, and school readiness. All segments of society — parents, schools, employers, health providers, faith-based institutions and other charitable agencies, states and the federal government — must be involved to ensure access to quality child care.

Resource and Program Data  
Mandatory Child Care State & Tribal

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula – State	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Formula – Tribal	54,340,000	58,340,000	58,340,000
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,231,864,781	\$1,235,864,781	\$1,235,864,781
<u>Program Data:</u>			
Number of Grants	297	289	289
New Starts:			
#			
\$			
Continuations:			
#	297	289	289
\$	\$1,231,864,781	\$1,235,864,781	\$1,235,864,781
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data  
Matching Child Care

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$ 1,487,580,535	\$1,673,842,719	\$1,673,842,719
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,487,580,535	\$1,673,842,719	\$1,673,842,719
<u>Program Data:</u>			
Number of Grants	51	51	51
New Starts:			
#			
\$			
Continuations:			
#	51	51	51
\$	\$1,487,580,535	\$1,673,842,719	\$1,673,842,719
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Note: FY 2005 includes reappropriated Matching funds from prior years.

Resource and Program Data  
Training and Technical Assistance

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	\$6,792,500	\$7,292,500	\$7,292,500
Program Support			
Total, Resources	\$6,792,500	\$7,292,500	\$7,292,500
<u>Program Data:</u>			
Number of Grants			
New Starts:			
#			
\$			
Continuations:			
#			
\$			
Contracts:	5	5	5
#	\$6,792,500	\$7,292,500	\$7,292,500
\$			
Interagency Agreements:			
#			
\$			

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES**

**FY 2007 MANDATORY STATE/FORMULA GRANTS**

**PROGRAM: Child Care Entitlement to States-Mandatory (CFDA #93.596)**

<b>STATE/TERRITORY</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Enacted</b>	<b>FY 2007 Estimate</b>	<b>Difference +/- 2006</b>
Alabama	\$16,441,707	\$16,441,707	\$16,441,707	\$0
Alaska	3,544,811	3,544,811	3,544,811	0
Arizona	19,827,025	19,827,025	19,827,025	0
Arkansas	5,300,283	5,300,283	5,300,283	0
California	85,593,217	85,593,217	85,593,217	0
Colorado	10,173,800	10,173,800	10,173,800	0
Connecticut	18,738,357	18,738,357	18,738,357	0
Delaware	5,179,330	5,179,330	5,179,330	0
District of Columbia	4,566,974	4,566,974	4,566,974	0
Florida	43,026,524	43,026,524	43,026,524	0
Georgia	36,548,223	36,548,223	36,548,223	0
Hawaii	4,971,633	4,971,633	4,971,633	0
Idaho	2,867,578	2,867,578	2,867,578	0
Illinois	56,873,824	56,873,824	56,873,824	0
Indiana	26,181,999	26,181,999	26,181,999	0
Iowa	8,507,792	8,507,792	8,507,792	0
Kansas	9,811,721	9,811,721	9,811,721	0
Kentucky	16,701,653	16,701,653	16,701,653	0
Louisiana	13,864,552	13,864,552	13,864,552	0
Maine	3,018,598	3,018,598	3,018,598	0
Maryland	23,301,407	23,301,407	23,301,407	0
Massachusetts	44,973,373	44,973,373	44,973,373	0
Michigan	32,081,922	32,081,922	32,081,922	0
Minnesota	23,367,543	23,367,543	23,367,543	0
Mississippi	6,293,116	6,293,116	6,293,116	0
Missouri	24,668,568	24,668,568	24,668,568	0
Montana	3,190,691	3,190,691	3,190,691	0
Nebraska	10,594,637	10,594,637	10,594,637	0
Nevada	2,580,422	2,580,422	2,580,422	0
New Hampshire	4,581,870	4,581,870	4,581,870	0
New Jersey	26,374,178	26,374,178	26,374,178	0
New Mexico	8,307,587	8,307,587	8,307,587	0
New York	101,983,998	101,983,998	101,983,998	0
North Carolina	69,639,228	69,639,228	69,639,228	0
North Dakota	2,506,022	2,506,022	2,506,022	0

<b>STATE/TERRITORY</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Enacted</b>	<b>FY 2007 Estimate</b>	<b>Difference +/- 2006</b>
Ohio	70,124,656	70,124,656	70,124,656	0
Oklahoma	24,909,979	24,909,979	24,909,979	0
Oregon	19,408,790	19,408,790	19,408,790	0
Pennsylvania	55,336,804	55,336,804	55,336,804	0
Rhode Island	6,633,774	6,633,774	6,633,774	0
South Carolina	9,867,439	9,867,439	9,867,439	0
South Dakota	1,710,801	1,710,801	1,710,801	0
Tennessee	37,702,188	37,702,188	37,702,188	0
Texas	59,844,129	59,844,129	59,844,129	0
Utah	12,591,564	12,591,564	12,591,564	0
Vermont	3,944,887	3,944,887	3,944,887	0
Virginia	21,328,766	21,328,766	21,328,766	0
Washington	41,883,444	41,883,444	41,883,444	0
West Virginia	8,727,005	8,727,005	8,727,005	0
Wisconsin	24,511,351	24,511,351	24,511,351	0
Wyoming	2,815,041	2,815,041	2,815,041	0
<b>Subtotal</b>	<b>1,177,524,781</b>	<b>1,177,524,781</b>	<b>1,177,524,781</b>	<b>0</b>
Indian Tribes	54,340,000	58,340,000	58,340,000	0
<b>Subtotal</b>	<b>54,340,000</b>	<b>58,340,000</b>	<b>58,340,000</b>	<b>0</b>
<b>Total States/Territories</b>	<b>1,231,864,781</b>	<b>1,235,864,781</b>	<b>1,235,864,781</b>	<b>0</b>
Technical Assistance	3,532,100	3,791,840	3,791,840	0
<b>Subtotal Adjustments</b>	<b>3,532,100</b>	<b>3,791,840</b>	<b>3,791,840</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$1,235,396,881</b>	<b>\$1,239,656,621</b>	<b>\$1,239,656,621</b>	<b>\$0</b>

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES**

**FY 2007 MANDATORY STATE/FORMULA GRANTS**

**PROGRAM: Child Care Entitlement to States-Matching (CFDA #93.596)**

<b>STATE/TERRITORY</b>	<b>FY 2005 Actual<sup>1</sup></b>	<b>FY 2006 Enacted</b>	<b>FY 2007 Estimate</b>	<b>Difference +/- 2006</b>
Alabama	\$22,357,606	24,870,995	24,870,995	\$0
Alaska	3,820,604	4,196,273	4,196,273	0
Arizona	30,878,478	36,179,063	36,179,063	0
Arkansas	13,715,661	15,434,885	15,434,885	0
California	196,683,116	221,031,536	221,031,536	0
Colorado	23,696,541	27,293,589	27,293,589	0
Connecticut	17,909,338	18,908,328	18,908,328	0
Delaware	3,888,004	4,412,503	4,412,503	0
District of Columbia	2,436,353	2,622,454	2,622,454	0
Florida	79,162,970	90,962,474	90,962,474	0
Georgia	47,211,126	54,150,193	54,150,193	0
Hawaii	6,125,571	6,905,739	6,905,739	0
Idaho	7,520,876	8,507,353	8,507,353	0
Illinois	67,355,059	74,543,531	74,543,531	0
Indiana	32,758,761	36,638,579	36,638,579	0
Iowa	14,021,304	15,300,468	15,300,468	0
Kansas	14,013,174	15,575,946	15,575,946	0
Kentucky	19,024,993	22,416,242	22,416,242	0
Louisiana	23,872,665	26,555,641	26,555,641	0
Maine	5,359,312	6,089,157	6,089,157	0
Maryland	28,033,865	31,566,346	31,566,346	0
Massachusetts	29,913,263	33,216,040	33,216,040	0
Michigan	51,749,832	56,924,941	56,924,941	0
Minnesota	25,060,700	27,892,272	27,892,272	0
Mississippi	15,583,450	17,143,154	17,143,154	0
Missouri	28,242,538	31,255,755	31,255,755	0
Montana	4,209,314	4,539,442	4,539,442	0
Nebraska	8,881,892	9,899,574	9,899,574	0
Nevada	12,082,846	14,122,679	14,122,679	0
New Hampshire	6,122,743	6,672,691	6,672,691	0
New Jersey	43,940,996	49,344,035	49,344,035	0
New Mexico	10,090,554	11,102,333	11,102,333	0
New York	94,783,793	104,119,582	104,119,582	0
North Carolina	43,067,474	48,955,193	48,955,193	0
North Dakota	2,874,501	3,066,115	3,066,115	0

<b>STATE/TERRITORY</b>	<b>FY 2005 Actual<sup>1</sup></b>	<b>FY 2006 Enacted</b>	<b>FY 2007 Estimate</b>	<b>Difference +/- 2006</b>
Ohio	58,692,613	62,769,817	62,769,817	0
Oklahoma	17,777,242	19,683,121	19,683,121	0
Oregon	17,378,326	19,321,369	19,321,369	0
Pennsylvania	57,297,222	62,964,029	62,964,029	0
Rhode Island	4,855,963	5,457,575	5,457,575	0
South Carolina	19,967,692	23,232,086	23,232,086	0
South Dakota	3,882,233	4,281,552	4,281,552	0
Tennessee	28,868,985	31,806,423	31,806,423	0
Texas	126,491,076	146,323,418	146,323,418	0
Utah	9,821,524	17,633,642	17,633,642	0
Vermont	2,699,316	2,880,087	2,880,087	0
Virginia	36,137,995	41,241,538	41,241,538	0
Washington	30,471,185	33,506,860	33,506,860	0
West Virginia	7,780,582	8,633,201	8,633,201	0
Wisconsin	26,658,905	29,114,481	29,114,481	0
Wyoming	2,350,403	2,578,419	2,578,419	0
<b>Subtotal</b>	<b>1,487,580,535</b>	<b>1,673,842,719</b>	<b>1,673,842,719</b>	<b>0</b>
Technical Assistance	3,260,400	3,500,660	3,500,660	0
<b>Subtotal Adjustments</b>	<b>3,260,400</b>	<b>3,500,660</b>	<b>3,500,660</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$1,490,840,935</b>	<b>\$1,677,343,379</b>	<b>\$1,677,343,379</b>	<b>\$0</b>

<sup>1</sup> FY 2005 Includes reappropriated Matching funds from prior years.