

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

CHILD CARE AND DEVELOPMENT BLOCK GRANT

TABLE OF CONTENTS

<u>FY 2009 BUDGET</u>	<u>PAGE</u>
Appropriation Language and Explanation of Language Changes	C-3
Authorizing Legislation	C-4
Appropriation History Table	C-5
Amounts Available for Obligation.....	C-6
Budget Authority by Activity	C-6
Justification:	
General Statement	C-7
Program Description and Accomplishments.....	C-8
Budget Request	C-8
Outputs and Outcomes Table.....	C-9
Resource and Program Data	C-11
State Table	C-13

This page intentionally left blank.

FY 2009 Proposed Appropriation Language

ADMINISTRATION FOR CHILDREN AND FAMILIES
 Payments to States for Child Care and Development Block Grant

For carrying out the Child Care and Development Block Grant Act of 1990 (*42 U.S.C. 9858 et Seq.*), ~~\$2,098,746,000~~ **\$2,062,081,000** shall be used to supplement, not supplant State general revenue funds for child care assistance for low-income families: Provided, That ~~\$18,777,370~~ **\$18,449,329** shall be available for child care resource and referral and school-aged child care activities, of which ~~\$982,080~~ **\$964,923** shall be ~~for the Child Care Aware toll-free hotline~~ *available to the Secretary for discretionary activities to support comprehensive consumer education or parental choice*: Provided further, That, in addition to the amounts required to be reserved by the States under section 658G, ~~\$267,785,718~~ **\$263,107,502** shall be reserved by the States for activities authorized under section 658G, of which ~~\$98,208,000~~ **\$96,492,306** shall be for activities that improve the quality of infant and toddler care: Provided further, That ~~\$9,821,000~~ **\$9,649,427** shall be for use by the Secretary for child care research, demonstration, and evaluation activities.

LANGUAGE ANALYSIS

Language Provision	Explanation
<p>“...for the Child Care Aware toll-free hotline: <i>available to the Secretary for discretionary activities to support comprehensive consumer education or parental choice:...</i>”</p>	<p>This language is inserted to allow for open competition for the toll-free hotline award consistent with Congressional language in the FY 2007 Joint Resolution.</p>

ADMINISTRATION FOR CHILDREN AND FAMILIES
Child Care and Development Block Grant

Authorizing Legislation

	FY 2008 Amount Authorized	FY 2008 Budget Estimate	FY 2009 Amount Authorized	FY 2009 Budget Request ¹
Section 658B of the Child Care and Development Block Grant Act of 1990. The authorization for this program expired on September 30, 2002.	\$2,100,000,000	\$2,062,081,000	\$2,100,000,000	\$2,062,081,000
Total request level	\$2,100,000,000	\$2,062,081,000	\$2,100,000,000	\$2,062,081,000
Total request level against definite authorizations	\$2,100,000,000	\$2,062,081,000	\$2,100,000,000	\$2,062,081,000

¹ Amounts in this column represent the President's Budget.

ADMINISTRATION FOR CHILDREN AND FAMILIES
Child Care and Development Block Grant

APPROPRIATIONS HISTORY TABLE

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2000				
Appropriation	\$1,182,672,000	\$1,182,672,000	\$1,182,672,000	\$1,182,672,000
2001				
Appropriation	817,328,000	400,000,000	817,328,000	817,196,000
Advance	1,182,672,000	1,182,672,000	1,182,672,000	1,182,672,000
Advance (FY 2002)	2,000,000,000	2,000,000,000	0	0
Total	4,000,000,000	3,582,672,000	2,000,000,000	1,999,868,000
2002				
Appropriation	2,199,987,000	2,199,987,000	2,000,000,000	2,099,994,000
Rescission				-15,000
Total	2,199,987,000	2,199,987,000	2,000,000,000	2,099,979,000
2003				
Appropriation	2,099,994,000	2,099,994,000	2,099,994,000	2,099,994,000
Rescission				-13,649,961
Total	2,099,994,000	2,099,994,000	2,099,994,000	2,086,344,039
2004				
Appropriation	2,099,729,000	2,099,729,000	2,099,729,000	2,099,729,000
Rescission				-12,419,000
Total	2,099,729,000	2,099,729,000	2,099,729,000	2,087,310,000
2005				
Appropriation	2,099,729,000	2,099,729,000	2,099,729,000	2,099,729,000
Rescission				-16,808,000
Total	2,099,729,000	2,099,729,000	2,099,729,000	2,082,921,000
2006				
Appropriation	2,082,910,000	2,082,910,000	2,082,910,000	2,082,910,000
Rescission				-20,829,000
Sec. 202 Transfer to CMS				-1,417,000
Total	2,082,910,000	2,082,910,000	2,082,910,000	2,060,664,000
2007				
Appropriation	2,062,081,000	2,062,081,000	2,062,081,000	2,062,081,000
2008				
Appropriation	2,062,081,000	2,062,081,000	2,062,081,000	2,098,746,000
Rescission				-36,665,000
Total	2,062,081,000	2,062,081,000	2,062,081,000	2,062,081,000
2009				
Appropriation	2,062,081,000			

ADMINISTRATION FOR CHILDREN AND FAMILIES
Child Care and Development Block Grant

Amounts Available for Obligation

	FY 2007 <u>Actual</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Estimate</u>
Appropriation:			
Annual.....	\$2,062,081,000	\$2,062,081,000	\$2,062,081,000

Budget Authority by Activity

	FY 2007 <u>Enacted</u>	FY 2008 <u>Enacted</u>	FY 2009 <u>Estimate</u>
Child Care and Development Block Grant	\$2,052,260,000	\$2,052,432,000	\$2,052,432,000
Research and Evaluation Fund.....	9,821,000	9,649,000	9,649,000
Total, BA	\$2,062,081,000	\$2,062,081,000	\$2,062,081,000

ADMINISTRATION FOR CHILDREN AND FAMILIES
Child Care and Development Block Grant

Justification

	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Estimate	Increase or Decrease
Child Care and Development Block Grant	\$2,052,260,000	\$2,052,432,000	\$2,052,432,000	\$0
Research and Evaluation Fund	9,821,000	9,649,000	9,649,000	0
Total, Budget Authority	\$2,062,081,000	\$2,062,081,000	\$2,062,081,000	\$0

Authorizing Legislation — Section 658B of the Child Care and Development Block Grant Act.

FY 2009 Authorization \$2.1 billion, pending Congressional action

Allocation Method Formula Grant

General Statement

The Child Care and Development Block Grant (CCDBG) was created by the Omnibus Budget Reconciliation Act of 1990 (OBRA 1990) as a discretionary funded program. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (P.L. 104-193) made changes to this program by combining several child care entitlement programs (AFDC Child Care, Transitional Child Care and At-Risk Child Care) with CCDBG. The entitlement portion consists of mandatory and matching funds made available under section 418 of the Social Security Act. The combined funding from these streams is designated the Child Care and Development Fund (CCDF).

CCDBG makes funds available for child care services and activities to improve the availability, accessibility, and affordability of child care. The program allows states maximum flexibility in developing child care programs and enables states to use resources most effectively to meet local needs. Child care subsidies funded through the Block Grant assist low-income families who are working or attending training/education. A minimum of four percent of funds are set aside for activities to provide comprehensive consumer education to parents and the public, activities that increase parental choice and activities designed to improve the quality and availability of child care (such as implementing state health and safety and licensing regulations and resource and referral services). Additional appropriation set asides also designate funds for improving the quality and availability of care. Quality child care promotes literacy and prepares children to succeed in school. Two percent of the Block Grant funds are reserved for Indian tribes, and one half of one percent is reserved for the territories. A quarter of one percent is reserved for technical assistance.

The FY 2009 President’s Budget request for this account represents current law requirements. No proposed law amounts are included.

Program Description and Accomplishments — CCDBG provides grants to states, federally recognized tribes, and territories for the purposes of: providing low-income working families with financial assistance for child care; improving the quality and availability of child care; and establishing or expanding and conducting early child development programs and before- and after-school programs. Federal funds enable states, tribes and territories to provide child care services through grants, contracts, and certificates to low-income families for a parent who is working or attending training or educational programs. This program is designed to help low-income families succeed at work and remain self-sufficient.

These child care block grant funds will: (1) allow each state maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within each state; (2) promote parental choice to empower working parents to make their own decisions on child care that best suits their family's needs; (3) encourage states to provide consumer education information to help parents make informed choices about child care; (4) assist states in providing child care to parents trying to achieve and maintain independence from temporary cash assistance and assist other low-income working parents to maintain quality child care services for their children; and (5) assist states in implementing the health, safety, licensing, and registration standards established in state regulations.

In accordance with ACF's goal of ensuring healthy, safe and affordable child care for America's working families, this program also will support research, demonstration, and evaluation activities designed to provide a sound basis for policy development, consumer education, and innovation toward improved child care services and systems for the 21st century. In prior years, funds have been used for a number of critical efforts, including:

- Rigorous evaluation of alternative state child care subsidy policies designed to identify effective strategies for improving outcomes for families and children.
- A multi-year, multi-site study of alternative approaches that show promise for improving the knowledge, skills, and performance of child care providers.
- Enhancement of states' capacity to collect administrative data and conduct policy-relevant research and analysis.
- Development of the Child Care and Early Education Research Connections archive to provide web-based access to reports, papers, briefs, data and other research-related information to child care researchers and policymakers.
- Promotion of research partnerships involving a variety of stakeholders to link research, policy and practice.

The Child Care and Development Fund received a PART rating of Moderately Effective in CY 2004. The review cited the program's oversight, financial practices and effective collaborations with partners as strong attributes. As a result of the PART review, the program is undertaking a series of activities to measure erroneous payments and improve grantee oversight, and continuing to measure and show progress on two long term goals: promoting employment and self-sufficiency and promoting the quality of care and school readiness of children ages three to five. In recent years, the program has seen an increase in the proportion of regulated child care providers that serve families receiving child care subsidies – a key measure of program performance. In FY 2005, 71 percent of regulated centers and family-based child care homes accepted child care subsidies – exceeding the goal of 65 percent.

Budget Request — The FY 2009 budget request for the Child Care and Development Block Grant program is \$2,062,081,000, the same as the FY 2008 enacted level. This amount will provide funding to assist states in meeting the critical child care needs of low-income families and will provide funding to

allow the continuation of efforts to further document emerging trends in the child care field and encourage evidence-based practices. This request will continue ACF’s commitment to providing resources that allow families to become and remain self-sufficient and productive members of society. With this funding, ACF expects to maintain the proportion of low-income children served with child care subsidies, as compared to the number of children in families with income under 150 percent of the Federal poverty level, at 32 percent.

These funds also allow families to access quality child care, which promotes child development, literacy, and school readiness. This request will support continuing research, demonstration, and evaluation activities. Increasing our knowledge of what child care services and systems work best and disseminating that knowledge throughout the country are important steps in improving the quality of care provided to our children. Research and evaluation will provide information and data for policy makers to make decisions about how best to use resources and develop innovative child care strategies. In consultation with researchers, policy makers and practitioners, ACF has developed a comprehensive research agenda to develop the capacity to support ongoing and future child care research while at the same time answering key questions for child care policy, planning, and program administration. In the near future, the program also hopes to more accurately measure the link between child care subsidies and employment: the program is currently developing a new long-term performance measure focused on employment outcomes for families receiving child care subsidies.

Outputs and Outcomes Table — Outputs and outcomes are based on combined funding of the Child Care Entitlement and Child Care and Development Block Grant, which are administered by ACF as a single block grant designated the Child Care and Development Fund.

#	Key Outcomes	FY 2004 Actual	FY 2005 Actual	FY 2006		FY 2007		FY 2008 Target	FY 2009 Target	Out-Year Target
				Target	Actual	Target	Actual			
Long-Term Objective 2.1: Reduce the percentage of Temporary Assistance for Needy Families (TANF) families with children that are exempt from employment participation because child care is unavailable to 1 percent by FY 2009.										
2 A	Maintain the proportion of children served through Child Care and Development Fund (CCDF), Temporary Assistance for Needy Families (TANF), and Social Services Block Grant (SSBG) child care funding as compared to the number of children in families with income under 150 percent of the Federal Poverty Level. ¹ (outcome)	32%	33%	32%	34%	32%	Mar-09	32%	32%	n/a
2 B	Increase the proportion of regulated centers and family child care homes that serve families and children receiving child care subsidies. (OMB approved efficiency)	64.0%	71.2%	66.0%	68% ²	67.0%	Mar-09	68.0%	69.0%	n/a

¹ This measure estimates the average monthly number of children receiving child care subsidies from all federal sources (Temporary Assistance for Needy Families, Child Care Development Fund, and Social Services Block Grant), compared on an annual basis to an estimate of the average monthly number of children who may be eligible for child care subsidies. Specifically, the denominator includes the average monthly number of children ages 0 to 12 (including disabled teenagers) with family income under 150 percent of the Federal Poverty Level whose parents/guardians are working or in school (any number of hours). The denominator is computed by the Urban Institute’s TRIM3 microsimulation model and is based on the Census Bureau’s Current Population Survey data.

² FY 2006 data is not available to determine the denominator used to calculate this proportion. Therefore, ACF has used the FY 2005 denominator or “total number of regulated providers” to calculate the FY 2006 actual for this measure. Data for this measure is taken from an annual licensing study of child care programs conducted by the National Association for Regulatory Administration and the National Child Care Information Center. The study methodology was revised in 2006 and the survey was not conducted. The licensing study is expected to resume in 2007, therefore data to calculate an actual for FY 2007 will be available.

#	Key Outcomes	FY 2004 Actual	FY 2005 Actual	FY 2006		FY 2007		FY 2008 Target	FY 2009 Target	Out-Year Target
				Target	Actual	Target	Actual			
Long-Term Objective 2.2: Increase the percentage of young children (ages three to five not yet in kindergarten) from families under 150 percent of poverty receiving non-parental care showing three or more school readiness skills from 32 percent in 2001 to 42 percent in 2011.										
2 C	Increase by 10 percent the number of regulated child care centers and homes nationwide accredited by a recognized early childhood development professional organization. ³ (outcome)	11,888 (13% over FY 2003 result)	13,101 (10% over FY 2004 result)	14,411 (10% over FY 2005 result)	13,834 (6% over FY 2005 result)	15,217 (10% over FY 2006 result)	Jun-08	10% over prev year	10% over prev year	n/a
2 D	Increase the number of states that have implemented state early learning guidelines in literacy, language, pre-reading, and numeracy for children ages three to five that align with state K-12 standards and are linked to the education and training of caregivers, preschool teachers, and administrators. ⁴ (outcome)	n/a	22	n/a	n/a	28	32	n/a	35	n/a

#	Key Outputs	FY 2004 Actual	FY 2005 Actual	FY 2006		FY 2007		FY 2008 Target/Est.	FY 2009 Target/Est.	Out-Year Target/Est.
				Target / Est.	Actual	Target / Est.	Actual			
	Number of grants	320	322	n/a	312	n/a	317	n/a	n/a	n/a
	Estimated number of families receiving consumer education	10.2 million	10.4 million	10.4 million	Jun-08	10.4 million	Jun-09	n/a	n/a	n/a
	Appropriated Amount (\$ Million, CCDBG)	\$2,087	\$2,083	\$2,061		\$2,062		\$2,062	\$2,062	

³ This measure is based on data collected each calendar (not fiscal) year.

⁴ This measure is biennially reported due to constraints on data availability, and is collected each calendar year rather than fiscal year.

Resource and Program Data
Child Care and Development Block Grant

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Estimate
<u>Resource Data:</u>			
Service Grants			
Formula	\$2,047,105,000	\$2,047,277,000	\$2,047,277,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	4,483,000	4,483,000	4,483,000
Program Support ¹	655,000	655,000	655,000
Total, Resources	\$2,052,242,000	\$2,052,432,000	\$2,052,432,000
<u>Program Data:</u>			
Number of Grants	317	317	317
New Starts:			
#	0	0	0
\$	\$0	\$0	\$0
Continuations:			
#	317	317	317
\$	\$2,047,047,000	\$2,047,277,000	\$2,047,277,000
Contracts:			
#	3	3	3
\$	\$4,276,000	\$4,276,000	\$4,276,000
Interagency Agreements:			
#	2	2	2
\$	\$833,000	\$833,000	\$833,000

¹Includes funding for interagency agreements, information technology support, printing, and other services.

Resource and Program Data
Research and Evaluation Fund

	FY 2007 Actual	FY 2008 Enacted	FY 2009 Estimate
<u>Resource Data:</u>			
Service Grants			
Formula			
Discretionary			
Research/Evaluation	\$9,407,000	\$9,199,000	\$9,199,000
Demonstration/Development			
Training/Technical Assistance			
Program Support ¹	414,000	450,000	450,000
Total, Resources	\$9,821,000	\$9,649,000	\$9,649,000
<u>Program Data:</u>			
Number of Grants	18	19	19
New Starts:			
#	16	6	5
\$	\$3,045,000	\$1,650,000	\$150,000
Continuations:			
#	2	13	14
\$	\$1,380,000	\$2,200,000	\$3,700,000
Contracts:			
#	9	9	9
\$	\$5,211,000	\$5,614,000	\$5,614,000
Interagency Agreements:			
#	2	2	2
\$	\$185,000	\$185,000	\$185,000

¹ Includes funding for information technology support, grant panels, and other associated overhead.

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

FY 2009 DISCRETIONARY STATE/FORMULA GRANTS

PROGRAM: Child Care & Development Block Grant (CFDA #93.575)

STATE/TERRITORY	FY 2007 Actual	FY 2008 Enacted	FY 2009 Estimate	Increase or Decrease
Alabama	\$40,007,253	\$39,938,012	\$39,938,012	\$0
Alaska	4,056,719	4,063,637	4,063,637	0
Arizona	50,535,178	51,630,874	51,630,874	0
Arkansas	25,026,001	25,551,344	25,551,344	0
California	231,860,323	229,341,428	229,341,428	0
Colorado	23,764,851	23,919,280	23,919,280	0
Connecticut	14,164,330	13,741,772	13,741,772	0
Delaware	4,451,593	4,554,281	4,554,281	0
District of Columbia	3,167,948	2,884,639	2,884,639	0
Florida	114,853,108	112,312,713	112,312,713	0
Georgia	78,229,330	80,269,824	80,269,824	0
Hawaii	7,767,792	7,268,806	7,268,806	0
Idaho	11,655,143	12,025,624	12,025,624	0
Illinois	76,570,415	75,187,739	75,187,739	0
Indiana	41,429,945	42,047,168	42,047,168	0
Iowa	17,655,465	18,275,136	18,275,136	0
Kansas	18,508,948	18,834,057	18,834,057	0
Kentucky	35,313,975	35,713,817	35,713,817	0
Louisiana	45,664,161	42,649,276	42,649,276	0
Maine	6,667,020	6,833,893	6,833,893	0
Maryland	25,700,984	25,113,292	25,113,292	0
Massachusetts	25,405,945	24,754,736	24,754,736	0
Michigan	57,740,733	57,162,178	57,162,178	0
Minnesota	25,579,674	26,031,375	26,031,375	0
Mississippi	31,950,522	32,361,666	32,361,666	0
Missouri	38,693,984	38,961,966	38,961,966	0
Montana	5,676,759	5,942,814	5,942,814	0
Nebraska	11,506,546	11,732,995	11,732,995	0
Nevada	14,230,287	14,789,491	14,789,491	0
New Hampshire	4,685,162	4,723,355	4,723,355	0
New Jersey	36,494,101	35,242,559	35,242,559	0
New Mexico	18,281,386	18,455,572	18,455,572	0
New York	107,222,061	103,991,017	103,991,017	0
North Carolina	66,514,217	67,493,543	67,493,543	0
North Dakota	3,678,999	3,784,109	3,784,109	0

STATE/TERRITORY	FY 2007 Actual	FY 2008 Enacted	FY 2009 Estimate	Increase or Decrease
Ohio	66,959,140	67,654,227	67,654,227	0
Oklahoma	31,005,000	31,683,098	31,683,098	0
Oregon	22,309,758	22,581,517	22,581,517	0
Pennsylvania	62,528,482	62,021,822	62,021,822	0
Rhode Island	5,594,847	5,382,814	5,382,814	0
South Carolina	36,828,326	36,809,012	36,809,012	0
South Dakota	5,412,252	5,513,644	5,513,644	0
Tennessee	44,348,112	45,692,043	45,692,043	0
Texas	216,535,657	221,871,870	221,871,870	0
Utah	22,336,372	22,897,785	22,897,785	0
Vermont	2,906,310	2,936,470	2,936,470	0
Virginia	39,306,222	38,812,649	38,812,649	0
Washington	33,179,749	33,657,396	33,657,396	0
West Virginia	13,533,052	13,561,733	13,561,733	0
Wisconsin	29,529,425	30,023,767	30,023,767	0
Wyoming	2,687,427	2,765,009	2,765,009	0
Subtotal	1,959,710,989	1,961,448,844	1,961,448,844	0
Indian Tribes	30,398,927	41,241,618	41,241,618	0
American Samoa	2,606,042	2,535,971	2,535,971	0
Guam	4,047,582	4,022,522	4,022,522	0
Northern Mariana Islands	1,799,139	1,887,360	1,887,360	0
Puerto Rico	34,859,806	33,310,581	33,310,581	0
Virgin Islands	1,857,642	1,864,552	1,864,552	0
Subtotal	75,569,138	84,862,604	84,862,604	0
Total States/Territories	2,035,280,127	2,046,311,448	2,046,311,448	0
Technical Assistance	5,122,336	5,155,202	5,155,202	0
Research Set-Aside	9,813,199	9,649,427	9,649,427	0
Child Care Aware	982,080	964,923	964,923	0
Subtotal Adjustments	15,917,615	15,769,552	15,769,552	0
TOTAL RESOURCES	\$2,051,197,742	\$2,062,081,000	\$2,062,081,000	\$0