

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

Child Care and Development Block Grant

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

For carrying out sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), [\$2,099,994,000] \$2,099,729,000 shall be used to supplement, not supplant state general revenue funds for child care assistance for low-income families: *Provided*, That \$19,120,000 shall be available for child care resource and referral and school-aged child care activities, of which \$1,000,000 shall be for the Child Care Aware toll-free hotline: *Provided further*, That in addition to the amounts required to be reserved by the States under section 658G, \$272,672,000 shall be reserved by the States for activities authorized under 658G of which \$100,000,000 shall be for activities that improve the quality of infant and toddler care: *Provided further*, That [\$10,000,000] \$9,864,000 shall be for use by the Secretary for child care research, demonstration, and evaluation activities.

Departments of Labor, Health and Human Services. and Education, and Related Agencies Appropriations Act, 2003, as proposed in the FY 2003 President's Budget

Child Care and Development Block Grant

Amounts Available for Obligation

	<u>2002 Actual</u>	<u>2003 President's Budget</u>	<u>2004 Estimate</u>
Child Care and Development Block Grant	\$2,089,994,000	\$2,089,994,000	\$2,089,865,000
Research and Evaluation Fund	10,000,000	10,000,000	9,864,000
Enacted Rescission	-52,000		
Subtotal, Adjusted Appropriation	\$2,099,942,000	\$2,099,994,000	\$2,099,729,000
Total Obligations	\$2,099,942,000	\$2,099,994,000	\$2,099,729,000

Child Care and Development Block Grant

SUMMARY OF CHANGES

FY 2003 President's Budget Request	\$2,099,994,000
Total estimated budget authority	\$2,099,994,000
(Obligations)	\$2,099,994,000
 FY 2004 Estimate	 \$2,099,729,000
(Obligations)	\$2,099,729,000
Net change	-\$265,000
(Obligations)	-\$265,000

	<u>FY 2003 President's Budget Base</u>	<u>Change from Base</u>
Decreases:		
A. <u>Program</u> :		
1. Information technology reduction to Child Care Development Block Grant base program	\$2,089,994,000	-\$129,000
2. Information technology reduction to Research and Evaluation fund in CCDBG base program	\$10,000,000	-\$136,000
Net Change		-\$265,000

Child Care and Development Block Grant

Budget Authority by Activity

	<u>2002 Actual</u>	<u>2003 President's Budget</u>	<u>2004 Estimate</u>
Child Care and Development Block Grant	\$2,089,970,000	\$2,089,994,000	\$2,089,865,000
Research and Evaluation Fund	9,972,000	10,000,000	9,864,000
Total, BA	\$2,099,942,000	\$2,099,994,000	\$2,099,729,000

Budget Authority by Object

	<u>FY 2003 President's Budget</u>	<u>FY 2004 Estimate</u>	<u>Increase or Decrease</u>
Advisory and assistance services (25.1).....	\$5,739,000	\$5,474,000	-\$265,000
Purchase of goods and services from government accounts (25.3).....	1,500,000	1,500,000	\$0
Grants, subsidies and contributions (41.0).....	2,092,755,000	2,092,755,000	\$0
Total, BA	\$2,099,994,000	\$2,099,729,000	-\$265,000

ADMINISTRATION FOR CHILDREN AND FAMILIES

Child Care and Development Block Grant

SIGNIFICANT ITEMS IN HOUSE, SENATE AND CONFERENCE APPROPRIATIONS COMMITTEE REPORTS

The following section represents FY 2003 Congressional requirements for reports and significant items derived from Senate Report 107-216 (Labor, Health and Human Services and Education (L/HHS/E)). These actions discussed below are contingent on inclusion of similar language and funding in the final FY 2003 appropriation and related reports. Additional items may be transmitted at a later date as a result of the final Conference report.

2003 Senate Committee Report Language

Item

Before and after-school set-aside – The Committee recommendation provides \$19,120,000 for the purposes of supporting resource and referral programs and before and afterschool services. This represents the Federal commitment to the activities previously funded under the dependent care block grant. The Committee further expects that these funds will not supplant current funding dedicated to resource and referral and school age activities provided by the child care and development block grant. The Committee strongly encourages States to address the matters of before and afterschool care and the establishment of resource and referral programs with the funds provided in this program.

Action Taken or to be Taken

The Child Care Bureau is informing State and Tribal Child Care Lead Agencies of the before-and-after-school and resource and referral earmark. The Bureau is providing a chart that lists the dollar amount of the earmark for each State and Tribe. This is a continuation of a previously established earmark.

Child Care and Development Block Grant

Authorizing Legislation

	<u>2003 Amount Authorized</u>¹	<u>2003 President's Budget</u>	<u>2004 Amount Authorized</u>	<u>2004 Budget Request</u>
Sections 658A through 658S of the Omnibus Budget Reconciliation Act of 1981, as added by P.L. 101-508, amended by P.L. 102-586, P.L. 103-171 and P.L. 104-193.	\$2,099,994,000	\$2,099,994,000	\$2,099,994,000	\$2,099,729,000

¹ Reflects authorization level for this program as proposed in the President's FY 2003 Budget Request.

APPROPRIATIONS HISTORY TABLE
Child Care and Development Block Grant

<u>Year</u>	<u>Budget Estimate To Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1994 ¹	958,964,000	892,711,000	892,711,000	892,711,000
1995 ²	1,090,662,000	934,642,000	934,642,000	934,642,000
1996	1,048,825,000	934,642,000	934,642,000 ³	934,642,000
1997	1,048,825,000	950,000,000	956,120,000	956,120,000
1998	65,672,000	937,000,000	963,120,000	1,002,672,000
1999	1,182,672,000	1,000,000,000	1,000,000,000	999,974,000
2000	1,182,672,000	1,182,672,000	1,182,672,000	1,182,672,000
2001				
Advance	1,182,672,000	1,182,672,000	1,182,672,000	1,182,672,000
Appropriation	817,328,000	400,000,000	817,328,000	817,196,000
Advance FY02	2,000,000,000	2,000,000,000	0	0
2002	2,199,987,000	2,199,987,000	2,000,000,000	2,099,976,000
<i>Rescission</i>				-15,000
				2,042,000,000
2003	2,099,994,000			
2004	2,099,729,000			

¹ The Budget Estimate to Congress included \$932,711,000 for CCDBG, \$1,372,000 for Child Development Associate Scholarships, \$11,942,000 for Temporary Child Care Nurseries and \$12,939,000 for Dependent Care Planning and Development Grants.

² The Budget Estimate to Congress included \$1,090,662,000 for CCDBG and \$0 for Dependent Care Planning and Development Grants. Both the House and Senate allowance included \$934,656,000 for CCDBG, which was reduced to \$934,642,000 pursuant to P.L. 103-333. In addition, Congress separately provided \$1,360,000 for Child Development Associate Scholarships and \$12,823,000 for Dependent Care Planning and Development Grants.

³ Senate Committee Mark.

Child Care and Development Block Grant

Justification

	2002 Enacted	2003 President's Budget	2004 Estimate	Increase or Decrease
Child Care and Development Block Grant	\$2,089,970,000	\$2,089,994,000	\$2,089,865,000	-\$129,000
Research and Evaluation Fund	9,972,000	10,000,000	9,864,000	-\$136,000
Total, BA	\$2,099,942,000	\$2,099,994,000	\$2,099,729,000	-\$265,000

General Statement

The Child Care and Development Block Grant 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 the child care entitlement programs (AFDC Child Care, Transitional Child Care and At-Risk Child Care) into the Child Care and Development Block Grant (CCDBG) Act of 1990, as amended. The entitlement portion consisted of mandatory and matching funds made available under section 418 of the Social Security Act, while the discretionary funding was authorized by the Child Care and Development Block Grant Act. The combined funding from these streams was designated the Child Care and Development Fund (CCDF).

The Child Care and Development Block Grant 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 earmarks 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 funds are reserved for Indian tribes, and one half of one percent is reserved for the Territories. A quarter of a percent is reserved for technical assistance. The FY 2004

request reduces the amount included for research and evaluation to \$9,864,000, which will promote the generation of critically-needed information for and about parents, children, and the child care market.

CHILD CARE AND DEVELOPMENT BLOCK GRANT

Authorizing Legislation – Legislation to reauthorize the Child Care and Development Block Grant Act of 1990 is pending congressional action.

2002 Actual	2003 President's Budget	2004 Estimate	Increase or Decrease
\$2,089,970,000	\$2,089,994,000	\$2,089,865,000	-\$129,000

2004 Authorization.....\$2,089,994,000 (reflects authorization level for this program as proposed in the President’s FY 2003 Budget Request and legislative proposal pending congressional action).

Purpose and Method of Operation

The Child Care and Development Block Grant provides grants to States, federally recognized Tribes, and Territories 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 child development programs and before-and after-school programs. The program allows States and communities to use resources effectively and responsively to meet local needs.

Federal funds enable States, Tribes and Territories to provide child care services through grants, contracts, and certificates to low-income families with a parent who is working or attending a training or educational program. Certificates allow parents to place their children in the care of the provider of their choice, whether it is center-based care, a family home provider, or relative care, including community-based or faith-based child care programs. This program is designed to help low-income families succeed at work and therefore remain self-sufficient.

Comparable funding for the Child Care and Development Block Grant program for the past five years, has been as follows:

1999.....	\$999,974,000
2000.....	\$1,172,672,000
2001.....	\$1,989,927,500
2002.....	\$2,089,970,000
2003 (President’s budget request)	\$2,089,994,000

These child care 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 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.

Rationale for the Budget Request

The FY 2004 request of \$2,089,865,000 -- a \$129,000 decrease to the level of funding provided in the President's FY 2003 budget request -- will provide funding to assist States in meeting the critical child care needs of families. The Child Care and Development Block Grant 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
Child Care and Development Block Grant

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$2,084,729,015	\$2,084,744,015	\$2,084,744,015
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	5,240,985	5,249,985	5,120,985
Program Support			
Total, Resources	\$2,089,970,000	\$2,089,994,000	\$2,089,865,000
<u>Program Data:</u>			
Number of Grants	319	316	316
New Starts:			
#			
\$			
Continuations:			
#	319	316	316
\$	\$2,084,729,015	\$2,084,744,015	\$2,084,744,015
Contracts:			
#	4	4	4
\$	\$5,240,985	\$5,249,985	\$5,120,985
Interagency Agreements:			
#			
\$			

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

FY 2004 DISCRETIONARY STATE/FORMULA GRANTS

PROGRAM: CCDF Discretionary (CFDA # 93.575)

STATE/TERRITORY	2002 Actual	2003 Pres. Budget	2004 Estimate	Difference +/- 2003
Alabama	\$42,929,737	\$41,897,072	\$41,897,072	\$0
Alaska	4,077,745	4,268,512	4,268,512	0
Arizona	43,481,082	45,868,249	45,868,249	0
Arkansas	25,553,862	25,040,798	25,040,798	0
California	243,602,191	239,514,827	239,514,827	0
Colorado	23,216,949	23,168,788	23,168,788	0
Connecticut	15,516,200	15,111,453	15,111,453	0
Delaware	4,425,363	4,478,701	4,478,701	0
District of Columbia	3,575,717	3,640,004	3,640,004	0
Florida	105,495,897	110,304,573	110,304,573	0
Georgia	69,949,985	71,558,036	71,558,036	0
Hawaii	8,044,428	8,463,788	8,463,788	0
Idaho	11,558,158	11,310,713	11,310,713	0
Illinois	78,610,865	79,574,579	79,574,579	0
Indiana	39,634,316	40,331,418	40,331,418	0
Iowa	18,910,604	19,267,406	19,267,406	0
Kansas	18,966,933	20,170,628	20,170,628	0
Kentucky	37,296,800	36,177,433	36,177,433	0
Louisiana	51,717,684	49,481,104	49,481,104	0
Maine	7,952,708	7,796,554	7,796,554	0
Maryland	27,855,834	27,990,613	27,990,613	0
Massachusetts	28,623,370	28,037,947	28,037,947	0
Michigan	60,683,562	60,653,416	60,653,416	0
Minnesota	27,017,650	26,780,357	26,780,357	0
Mississippi	34,880,544	34,048,099	34,048,099	0
Missouri	38,897,572	39,637,710	39,637,710	0
Montana	6,447,972	6,218,681	6,218,681	0
Nebraska	11,693,011	11,876,718	11,876,718	0
Nevada	10,855,892	11,789,090	11,789,090	0
New Hampshire	5,342,257	5,180,262	5,180,262	0
New Jersey	39,728,574	39,450,950	39,450,950	0
New Mexico	19,313,705	18,911,215	18,911,215	0
New York	117,149,059	117,163,222	117,163,222	0
North Carolina	59,839,819	62,110,482	62,110,482	0
North Dakota	4,636,540	4,474,481	4,474,481	0

STATE/TERRITORY	2002 Actual	2003 Pres. Budget	2004 Estimate	Difference +/- 2003
Ohio	69,347,042	69,622,853	69,622,853	0
Oklahoma	32,478,555	31,516,053	31,516,053	0
Oregon	21,693,453	22,353,501	22,353,501	0
Pennsylvania	65,737,635	66,212,834	66,212,834	0
Rhode Island	5,608,803	5,759,819	5,759,819	0
South Carolina	38,362,704	37,265,321	37,265,321	0
South Dakota	6,239,240	6,167,081	6,167,081	0
Tennessee	44,213,390	45,389,967	45,389,967	0
Texas	202,599,171	202,216,611	202,216,611	0
Utah	21,355,203	20,955,388	20,955,388	0
Vermont	3,452,257	3,381,089	3,381,089	0
Virginia	40,870,368	40,441,451	40,441,451	0
Washington	34,994,466	34,324,150	34,324,150	0
West Virginia	15,110,217	14,399,584	14,399,584	0
Wisconsin	31,004,615	31,084,542	31,084,542	0
Wyoming	3,320,644	3,223,414	3,223,414	0
Subtotal	1,983,870,348	1,986,061,537	1,986,061,537	0
Tribes	42,999,880	42,999,880	42,999,880	0
American Samoa	2,663,480	2,663,472	2,663,472	0
Guam	4,000,757	4,000,745	4,000,745	0
Northern Mariana Islands	1,636,489	1,636,520	1,636,520	0
Puerto Rico	47,373,817	45,182,628	45,182,628	0
Virgin Islands	2,199,244	2,199,233	2,199,233	0
Subtotal	100,873,667	98,682,478	98,682,478	0
Total States/Territories	2,084,744,015	2,084,744,015	2,084,744,015	0
Technical Assistance	5,225,985	5,249,985	5,120,985	129,000
Research Set-Aside	9,972,000	10,000,000	9,864,000	136,000
Subtotal	15,197,985	15,249,985	14,984,985	265,000
Adjustments				
TOTAL RESOURCES	\$2,099,942,000	\$2,099,994,000	\$2,099,729,000	\$265,000

1/ In FY 2003 and 2004 includes \$1,000,000 for Child Care Aware.

RESEARCH AND EVALUATION FUND

Authorizing Legislation -- Legislation to reauthorize the Child Care and Development Block Grant Act of 1990 is pending congressional action.

2002 Enacted	2003 President's Budget	2004 Estimate	Increase or Decrease
\$9,972,000	\$10,000,000	\$9,864,000	-\$136,000

2004 Authorization.....\$10,000,000 (reflects authorization level for this program as proposed in the President's FY 2003 Budget Request and legislative proposal pending congressional action).

Purpose and Method of Operation

In accordance with ACF's goal of ensuring healthy, safe and affordable child care for America's working families, this program 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.

Rationale for the Budget Request

For FY 2004 the request level of \$9,864,000 is a \$136,000 reduction to the level of funding provided in the President's FY 2003 budget request. These funds will continue to support research, demonstration, and evaluation activities.

The appropriation for FY 2000 and the succeeding fiscal years provided the first source of funding in CCDF specifically for child care research. The appropriation requested for FY 2004 will continue to promote the generation of critically needed information about parents, children, and the child care market. This includes information such as the factors influencing parental choice; the cost, quality, and availability of child care in low-income communities; how work family and child care trends are changing; and the effects of policy alternatives.

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 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.

Resource and Program Data
Research and Evaluation Fund

	2002 Actual	2003 President's Budget	2004 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation	\$6,872,000	\$6,875,000	\$7,229,000
Demonstration/Development	3,100,000	3,125,000	2,635,000
Training/Technical Assistance			
Program Support			
Total, Resources	\$9,972,000	\$10,000,000	\$9,864,000
<u>Program Data:</u>			
Number of Grants	43	34	34
New Starts:			
#	13	9	9
\$	\$3,000,000	\$1,500,000	\$1,600,000
Continuations:			
#	32	25	25
\$	\$5,460,000	\$5,000,000	\$5,000,000
Contracts:			
#	3	3	3
\$	\$1,512,000	\$3,500,000	\$2,864,000
Interagency Agreements:			
#			2
\$			\$400,000