

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

	2003 <u>Enacted</u>	2004 <u>Estimate</u>	2005 <u>Estimate</u>
Appropriation:			
Annual	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000
Re-appropriation of prior year funds	\$23,493,000		
Subtotal, Adjusted Appropriation	<u>2,740,493,000</u>	<u>2,717,000,000</u>	<u>2,717,000,000</u>
Total Obligations.....	\$2,740,493,000	\$2,717,000,000	\$2,717,000,000

SUMMARY OF CHANGES

2004 President's Budget Request	\$2,717,000,000
Total estimated budget authority.....	\$2,717,000,000
(Obligations)	\$2,717,000,000
2005 Estimate.....	\$2,717,000,000
(Obligations)	\$2,717,000,000
Net change.....	\$0
(Obligations)	\$0

Child Care Entitlement to States

Budget Authority by Activity

	<u>2003 Enacted</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
State Mandatory Funds ..	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Matching Child Care.....	1,478,342,719	1,478,342,719	1,478,342,719
Tribal Mandatory Funds.....	54,340,000	54,340,000	54,340,000
Training and Technical Assistance	6,792,500	6,792,500	6,792,500
Total, Budget Authority.	\$2,740,493,000	\$2,717,000,000	\$2,717,000,000

Budget Authority by Object

	<u>2004 Estimate</u>	<u>2005 Estimate</u>	<u>Increase or Decrease</u>
Advisory and assistance services.....	\$6,792,500	\$6,792,500	\$0
Grants, subsidies, and contributions.....	2,710,207,500	2,710,207,500	0
Total, Budget Authority.	\$2,717,000,000	\$2,717,000,000	\$0

Child Care Entitlement to States

Authorizing Legislation

	<u>2004 Amount Authorized</u>	<u>2004 Estimate</u>	<u>2005 Amount Authorized</u>	<u>2005 Budget Request</u>
Section 418 of the Social Security Act	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000

Note: Child Care Entitlement to States is authorized through March 31, 2004.

APPROPRIATIONS HISTORY TABLE
Child Care Entitlement to States

<u>Year</u>	<u>Budget Estimate To Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1996				\$0
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			

Child Care Entitlement to States

Justification

	2003 Enacted	2004 Estimate	2005 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	1,478,342,719	1,478,342,719	0
Tribal Mandatory Funds	54,340,000	54,340,000	54,340,000	0
Training and Technical Assistance	6,792,500	6,792,500	6,792,500	0
Total, BA	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000	\$0

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, as amended. 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.)

CHILD CARE ENTITLEMENT

Authorizing Legislation – Legislation to reauthorize Title IV-A, section 418 of the Social Security Act is pending Congressional action.

2003 Enacted	2004 Estimate	2005 Estimate	Increase or Decrease
\$2,717,000,000	\$2,717,000,000	\$2,717,000,000	\$0

2005 Authorization.....\$2,717,000,000 (reflects level as proposed in the reauthorization pending before Congress.)

Purpose and Method of Operation

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 45 CFR paragraph 98.60(b)(1), the Secretary may withhold no more than $\frac{1}{4}$ of one percent of Child Care Development funds made available for a fiscal year for the provision of training and technical assistance to states.

Rationale for the Budget Request

The FY 2005 request of \$2,717,000,000 — the same level as the President's FY 2004 budget request — 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

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
<u>Program Data:</u>			
Number of Grants	293	290	290
New Starts:			
#			
\$			
Continuations:			
#	293	290	290
\$	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Matching Child Care

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,501,835,941	\$1,478,342,719	\$1,478,342,719
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,501,835,941	\$1,478,342,719	\$1,478,342,719
<u>Program Data:</u>			
Number of Grants	51	51	51
New Starts:			
#			
\$			
Continuations:			
#	51	51	51
\$	\$1,501,835,941	\$1,478,342,719	\$1,478,342,719
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Note: FY 2003 includes reappropriated Matching funds from prior years.

Resource and Program Data
Training and Technical Assistance

	2003 Enacted	2004 Estimate	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	\$6,792,500	\$6,792,500	\$6,792,500
Program Support			
Total, Resources	\$6,792,500	\$6,792,500	\$6,792,500
<u>Program Data:</u>			
Number of Grants			
New Starts:			
#			
\$			
Continuations:			
#	5	5	5
\$	\$6,792,500	\$6,792,500	\$6,792,500
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

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

FY 2005 MANDATORY STATE/FORMULA GRANTS

PROGRAM: CCDF Mandatory (CFDA #93.596)

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
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

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
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
Subtotal	1,177,524,781	1,177,524,781	1,177,524,781	0
Indian Tribes	54,340,000	54,340,000	54,340,000	0
Subtotal	54,340,000	54,340,000	54,340,000	0
Total States/Territories	1,231,864,781	1,231,864,781	1,231,864,781	0
Technical Assistance	3,532,100	3,532,100	3,532,100	0
Subtotal Adjustments	3,532,100	3,532,100	3,532,100	0
TOTAL RESOURCES	\$1,235,396,881	\$1,235,396,881	\$1,235,396,881	\$0

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

FY 2005 MANDATORY STATE/FORMULA GRANTS

PROGRAM: CCDF Matching (CFDA #93.596)

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Alabama	\$22,787,452	\$22,357,606	\$22,357,606	\$0
Alaska	3,838,741	3,806,614	3,806,614	0
Arizona	28,412,119	30,537,291	30,537,291	0
Arkansas	13,733,044	13,665,437	13,665,437	0
California	192,461,717	194,509,901	194,509,901	0
Colorado	22,478,925	23,434,710	23,434,710	0
Connecticut	17,445,762	17,711,451	17,711,451	0
Delaware	3,995,015	3,845,045	3,845,045	0
District of Columbia	2,458,103	2,409,433	2,409,433	0
Florida	74,236,775	78,288,271	78,288,271	0
Georgia	44,824,464	46,689,474	46,689,474	0
Hawaii	6,053,693	6,057,888	6,057,888	0
Idaho	7,393,853	7,437,775	7,437,775	0
Illinois	66,795,844	66,610,830	66,610,830	0
Indiana	32,146,252	32,396,798	32,396,798	0
Iowa	14,641,119	13,866,378	13,866,378	0
Kansas	14,336,218	13,961,861	13,961,861	0
Kentucky	20,211,457	18,814,779	18,814,779	0
Louisiana	24,392,574	23,785,249	23,785,249	0
Maine	5,918,493	5,339,687	5,339,687	0
Maryland	27,911,259	27,931,211	27,931,211	0
Massachusetts	30,933,163	29,582,741	29,582,741	0
Michigan	53,019,858	51,749,832	51,749,832	0
Minnesota	25,787,602	24,783,796	24,783,796	0
Mississippi	15,668,787	15,411,263	15,411,263	0
Missouri	28,790,923	27,930,477	27,930,477	0
Montana	4,469,788	4,162,804	4,162,804	0
Nebraska	8,986,455	8,783,753	8,783,753	0
Nevada	10,784,108	11,949,338	11,949,338	0
New Hampshire	6,253,844	6,055,091	6,055,091	0
New Jersey	43,402,527	43,455,477	43,455,477	0
New Mexico	10,193,624	9,979,060	9,979,060	0
New York	96,497,959	93,736,495	93,736,495	0
North Carolina	40,800,358	42,591,607	42,591,607	0
North Dakota	3,125,662	2,842,739	2,842,739	0

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Ohio	58,672,936	58,044,098	58,044,098	0
Oklahoma	17,882,011	17,580,815	17,580,815	0
Oregon	17,092,282	17,186,307	17,186,307	0
Pennsylvania	58,864,137	56,664,126	56,664,126	0
Rhode Island	5,087,181	4,802,307	4,802,307	0
South Carolina	20,604,084	19,747,062	19,747,062	0
South Dakota	3,983,713	3,839,337	3,839,337	0
Tennessee	28,625,698	28,550,002	28,550,002	0
Texas	120,756,692	125,093,433	125,093,433	0
Utah	14,660,891	14,786,623	14,786,623	0
Vermont	2,899,054	2,669,490	2,669,490	0
Virginia	35,645,251	36,137,995	36,137,995	0
Washington	30,660,837	30,359,606	30,359,606	0
West Virginia	7,988,473	7,694,611	7,694,611	0
Wisconsin	27,256,249	26,364,342	26,364,342	0
Wyoming	2,475,693	2,350,403	2,350,403	0
Subtotal	1,478,342,719	1,478,342,719	1,478,342,719	0
Technical Assistance	3,260,400	3,260,400	3,260,400	0
Subtotal Adjustments	3,260,400	3,260,400	3,260,400	0
TOTAL RESOURCES	\$1,481,603,119	\$1,481,603,119	\$1,481,603,119	\$0

NOTE: The FY 2003 allotment calculation used Census 2000 data because 1 Jul 01 census estimates have not been published by the Census Bureau.