

STATE SPENDING UNDER THE FISCAL YEAR 2004 APPROPRIATION FOR CHILD CARE AND DEVELOPMENT FUND (CCDF)

AS OF 9/30/2004

FY 2004 Highlights:

This summary provides cumulative information obtained from State financial reports submitted for the FY 2004 CCDF appropriation showing cumulative expenditures through September 30, 2004. The FY 2004 State reports detail expenditures from each of the CCDF funding streams (Mandatory, Matching, and Discretionary), as well as funds transferred from the Temporary Assistance for Needy Families (TANF) program to CCDF. Included are expenditures for administration, quality activities including Congressionally-mandated earmarks for (1) Child Care and Quality Improvement Activities; (2) Infant and Toddler Quality Improvement; and (3) Child Care Resource and Referral and School Age Care, and direct and non-direct services. *NOTE: This summary does not include expenditures in FY 2004 from funds appropriated in prior fiscal years. To see a complete picture of total child care expenditures during FY 2004 from prior year funds [click here](#).*

The CCDF program has specific financial requirements that States are required to meet in the year of appropriation. All States met the legislatively stipulated requirements. Details follow:

Maintenance of Effort. States reported spending \$888 million of State funds meeting the established MOE levels for FY 2004. Twelve States reported spending a total of \$58 million over the required MOE level with total MOE expenditures equaling \$953 million.

Non-Federal Match. In addition to meeting the above MOE requirement and obligating their Mandatory funds by 9/30, States must match Federal expenditures with State funds at the applicable Federal Medical Assistance Percentages (FMAP) rate to be eligible for Federal Matching funds. States matched the \$1.2 billion in Federal expenditures with \$1.2 billion in State expenditures, complying with the match requirement. (See *Unobligated Balance* paragraph for Matching funds returned from FY 2004 for reallocation in FY 2005.)

Temporary Assistance for Needy Families (TANF) Block Grant Transfers. Personal Responsibility Work Opportunity Reconciliation Act (PRWORA) of 1996 allows States to transfer portions of their TANF grant to either the CCDF or the Social Services Block Grant. As stipulated in the TANF Final Regulations, States may transfer current year TANF funds only. Forty States transferred funds to CCDF in amounts ranging from \$100,000 to \$408 million. A total of \$1.9 billion in FY 2004 Federal TANF funds was transferred to CCDF comprising 29 percent of total FY 2004 CCDF Federal funds (\$6.6 billion including TANF transfers) available to States for FY 2004.

Unobligated Balances. Three States released \$9.2 million, or 0.6 percent of FY 2004 Matching funds to be reallocated to States for FY 2005. Twenty-nine States reported unobligated balances of \$336 million, or 8.5 percent of FY 2004 Discretionary funding including TANF transfers. States have an additional year to obligate these funds.