

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

	<u>2006 Enacted</u>	<u>2007 Estimate</u>	<u>2008 Pres. Budget</u>
Appropriation:			
Annual	\$2,917,000,000	\$2,917,000,000	\$2,917,000,000
Re-appropriation of prior year funds	2,624,222	0	0
Total, obligations	\$2,919,624,222	\$2,917,000,000	\$2,917,000,000

SUMMARY OF CHANGES

FY 2007 Estimate		
Total estimated budget authority		\$2,917,000,000
(Obligations)		(\$2,917,000,000)
FY 2008 Pres. Budget		
Total estimated budget authority		\$2,917,000,000
(Obligations)		(\$2,917,000,000)
Net change budget authority		\$0

ADMINISTRATION FOR CHILDREN AND FAMILIES
Child Care Entitlement to States

Budget Authority by Activity
(Dollars in thousands)

	<u>2006</u> <u>Enacted</u>	<u>2007</u> <u>Estimate</u>	<u>2008</u> <u>Pres. Budget</u>
State Mandatory Funds	\$1,177,525	\$1,177,525	\$1,177,525
Matching Child Care	1,673,843	1,673,843	1,673,843
Tribal Mandatory Funds	58,340	58,340	58,340
Training and Technical Assistance	7,292	7,292	7,292
Total, Budget Authority	\$2,917,000	\$2,917,000	\$2,917,000

Budget Authority by Object

	<u>2007</u> <u>Estimate</u>	<u>2008</u> <u>Pres. Budget</u>	<u>Increase or</u> <u>Decrease</u>
Rental Payments to GSA (23.1)	\$35,000	\$35,000	\$0
Advisory and Assistance Services (25.1)	7,200,000	7,200,000	0
Purchases from Govt. Accounts (25.3)	60,000	60,000	0
Grants (41.0)	2,909,705,000	2,909,705,000	0
Total	\$2,917,000,000	\$2,917,000,000	\$0

ADMINISTRATION FOR CHILDREN AND FAMILIES
Child Care Entitlement to States

Authorizing Legislation

	2007 Amount Authorized	2007 Budget Estimate	2008 Amount Authorized	2008 Budget Request
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

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
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
2008				\$2,917,000,000

Child Care Entitlement to States

Justification

Authorizing Legislation — Section 418 of the Social Security Act.

	2006 Enacted	2007 Estimate	2008 Pres. Budget	Increase or Decrease
State Mandatory Funds	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781	\$0
Matching Child Care	1,673,842,719	1,673,842,719	1,673,842,719	0
Tribal Mandatory Funds	58,340,000	58,340,000	58,340,000	0
Training and Technical Assistance	7,292,500	7,292,500	7,292,500	0
Total, BA	\$2,917,000,000	\$2,917,000,000	\$2,917,000,000	\$0

2008 Authorization.....\$2,917,000,000 (pre-appropriated authority).

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 both a discretionary component (see discussion in the Child Care and Development Block Grant section) and mandatory and matching components, the Child Care Entitlement to States program. The Deficit Reduction Act of 2005 reauthorized the Child Care Entitlement to States program through 2010 and added \$200 million annually over the previous program level of \$2.717 billion.

The FY 2008 President’s Budget request of \$2,917,000,000 for this account represents current law requirements. No proposed law amounts are included.

Statement of Budget Request – The FY 2008 request is the same as the FY 2007 estimate.

Program Description – The Child Care Entitlement to States program provides grants to states and federally recognized tribes for the purposes of providing low-income families with financial assistance for child care, and improving the quality and availability of 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 temporary cash assistance and help 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 one quarter of one percent of the Child Care Entitlement program made available for a fiscal year for the provision of training and technical assistance to states.

Rationale for the Budget Request – The FY 2008 request of \$2,917,000,000 is the same as the FY 2007 estimate and will provide funding to assist states in meeting the critical child care needs of families. 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.

Performance Analysis – See the Child Care and Development Block Grant budget discussion and the Detail of Performance Analysis section for performance measures related to the Child Care Entitlement to States program.

Resource and Program Data
Mandatory Child Care State & Tribal

	2006 Actual	2007 Estimate	2008 Pres. Budget
<u>Resource Data:</u>			
Service Grants			
Formula - State	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Formula -Tribal	58,340,000	58,340,000	58,340,000
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,235,864,781	\$1,235,864,781	\$1,235,864,781
<u>Program Data:</u>			
Number of Grants	289	289	289
New Starts:			
#	0	0	0
\$	\$0	\$0	\$0
Continuations:			
#	289	289	289
\$	\$1,235,864,781	\$1,235,864,781	\$1,235,864,781
Contracts:			
#	0	0	0
\$	\$0	\$0	\$0
Interagency Agreements:			
#	0	0	0
\$	\$0	\$0	\$0

Resource and Program Data
Matching Child Care Grants

	2006 ¹ Actual	2007 Estimate	2008 Pres. Budget
<u>Resource Data:</u>			
Service Grants			
Formula	\$1,676,466,941	\$1,673,842,719	\$1,673,842,719
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,676,466,941	\$1,673,842,719	\$1,673,842,719
<u>Program Data:</u>			
Number of Grants	51	51	51
New Starts:			
#	0	0	0
\$	\$0	\$0	\$0
Continuations:			
#	51	51	51
\$	\$1,676,466,941	\$1,673,842,719	\$1,673,842,719
Contracts:			
#	0	0	0
\$	\$0	\$0	\$0
Interagency Agreements:			
#	0	0	0
\$	\$0	\$0	\$0

¹ FY 2006 includes reappropriated Matching funds from prior years.

Resource and Program Data
Training and Technical Assistance

	2006 Actual	2007 Estimate	2008 Pres. Budget
<u>Resource Data:</u>			
Service Grants			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	\$7,292,500	\$7,292,500	\$7,292,500
Program Support			
Total, Resources	\$7,292,500	\$7,292,500	\$7,292,500
<u>Program Data:</u>			
Number of Grants	0	0	0
New Starts:			
#	0	0	0
\$	\$0	\$0	\$0
Continuations:			
#	0	0	0
\$	\$0	\$0	\$0
Contracts:			
#	4	5	5
\$	\$7,292,500	\$7,292,500	\$7,292,500
Interagency Agreements:			
#	0	0	0
\$	\$0	\$0	\$0

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

FY 2008 MANDATORY STATE/FORMULA GRANTS

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

STATE/TERRITORY	FY 2006 Actual	FY 2007 Estimate	FY 2008 Pres. Budget	Increase or Decrease
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 2006 Actual	FY 2007 Estimate	FY 2008 Pres. Budget	Increase or Decrease
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	58,340,000	58,340,000	58,340,000	0
Subtotal	58,340,000	58,340,000	58,340,000	0
Total States/Territories	1,235,864,781	1,235,864,781	1,235,864,781	0
Technical Assistance	3,791,840	3,791,840	3,791,840	0
Subtotal Adjustments	3,791,840	3,791,840	3,791,840	0
TOTAL RESOURCES	\$1,239,656,621	\$1,239,656,621	\$1,239,656,621	\$0

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

FY 2008 MANDATORY STATE/FORMULA GRANTS

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

STATE/TERRITORY	FY 2006 Actual¹	FY 2007 Estimate	FY 2008 Pres. Budget	Increase or Decrease
Alabama	\$24,870,995	\$24,870,995	\$24,870,995	\$0
Alaska	4,203,739	4,196,273	4,196,273	0
Arizona	36,238,958	36,179,063	36,179,063	0
Arkansas	15,461,688	15,434,885	15,434,885	0
California	221,413,039	221,031,536	221,031,536	0
Colorado	27,339,553	27,293,589	27,293,589	0
Connecticut	18,943,067	18,908,328	18,908,328	0
Delaware	4,420,045	4,412,503	4,412,503	0
District of Columbia	2,627,180	2,622,454	2,622,454	0
Florida	91,116,026	90,962,474	90,962,474	0
Georgia	54,241,768	54,150,193	54,150,193	0
Hawaii	6,917,621	6,905,739	6,905,739	0
Idaho	8,521,941	8,507,353	8,507,353	0
Illinois	74,674,179	74,543,531	74,543,531	0
Indiana	36,702,121	36,638,579	36,638,579	0
Iowa	15,327,665	15,300,468	15,300,468	0
Kansas	15,603,330	15,575,946	15,575,946	0
Kentucky	22,416,242	22,416,242	22,416,242	0
Louisiana	26,555,641	26,555,641	26,555,641	0
Maine	6,099,630	6,089,157	6,089,157	0
Maryland	31,566,346	31,566,346	31,566,346	0
Massachusetts	33,274,063	33,216,040	33,216,040	0
Michigan	57,026,441	56,924,941	56,924,941	0
Minnesota	27,940,882	27,892,272	27,892,272	0
Mississippi	17,173,381	17,143,154	17,143,154	0
Missouri	31,310,537	31,255,755	31,255,755	0
Montana	4,547,607	4,539,442	4,539,442	0
Nebraska	9,916,802	9,899,574	9,899,574	0
Nevada	14,146,116	14,122,679	14,122,679	0
New Hampshire	6,684,567	6,672,691	6,672,691	0
New Jersey	49,429,267	49,344,035	49,344,035	0
New Mexico	11,121,906	11,102,333	11,102,333	0
New York	104,303,433	104,119,582	104,119,582	0
North Carolina	49,038,731	48,955,193	48,955,193	0
North Dakota	3,071,691	3,066,115	3,066,115	0

STATE/TERRITORY	FY 2006 Actual¹	FY 2007 Estimate	FY 2008 Pres. Budget	Increase or Decrease
Ohio	62,883,663	62,769,817	62,769,817	0
Oklahoma	19,717,603	19,683,121	19,683,121	0
Oregon	19,355,078	19,321,369	19,321,369	0
Pennsylvania	63,075,168	62,964,029	62,964,029	0
Rhode Island	5,466,994	5,457,575	5,457,575	0
South Carolina	23,270,817	23,232,086	23,232,086	0
South Dakota	4,289,082	4,281,552	4,281,552	0
Tennessee	31,862,420	31,806,423	31,806,423	0
Texas	146,568,772	146,323,418	146,323,418	0
Utah	17,633,642	17,633,642	17,633,642	0
Vermont	2,885,323	2,880,087	2,880,087	0
Virginia	41,312,418	41,241,538	41,241,538	0
Washington	33,506,860	33,506,860	33,506,860	0
West Virginia	8,648,293	8,633,201	8,633,201	0
Wisconsin	29,166,191	29,114,481	29,114,481	0
Wyoming	2,578,419	2,578,419	2,578,419	0
Subtotal	1,676,466,941	1,673,842,719	1,673,842,719	0
Technical Assistance	3,500,660	3,500,660	3,500,660	0
Subtotal Adjustments	3,500,660	3,500,660	3,500,660	0
TOTAL RESOURCES	\$1,679,967,601	\$1,677,343,379	\$1,677,343,379	\$0

¹ FY 2006 includes reappropriated Matching funds from prior years (2005).