

**CHILD CARE AND DEVELOPMENT FUND (CCDF)
STATE SPENDING UNDER THE FISCAL YEAR 2005 APPROPRIATION
AS OF 9/30/2005**

FY 2005 Highlights

This summary provides cumulative information obtained from State financial reports submitted for the FY 2005 CCDF appropriation showing cumulative expenditures through September 30, 2005. The FY 2005 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, direct and non-direct services, and 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. *NOTE: This summary does not include expenditures in FY 2005 from funds appropriated in prior fiscal years. To see a complete picture of total child care expenditure during FY 2005 from prior year funds click on the following [web link](#).*

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 the \$888 million of State funds necessary to meet the established MOE level for FY 2005. Eight States reported spending a total of \$70 million over the required MOE level with total MOE expenditures equaling \$958 million.

Non-Federal Match. In addition to meeting the above MOE requirement and obligating their Mandatory funds by September 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 \$1.3 billion in Federal expenditures with \$1.3 billion in State expenditures, complying with the match requirement (See *Unobligated Balances* paragraph for Matching funds returned from FY 2005 for reallocation in FY 2006.)

TANF Transfers. Section 404(d) of the Social Security Act allows States to transfer portions of their TANF grant to either CCDF or the Social Services Block Grant. As stipulated in the TANF Final Regulations, States may transfer current year TANF funds only. Thirty-seven States transferred funds to CCDF in amounts ranging from \$1.8 million to \$412 million. A total of \$2 billion in FY 2005 Federal TANF funds was transferred to CCDF comprising 30 percent of total FY 2005 CCDF Federal fund (\$6.7 billion including TANF transfers) available to State for FY 2005.

Unobligated Balances. One State released \$2.6 million, or 0.2 percent of FY 2005 Matching funds to be reallocated to States for FY 2006. Twenty-seven States reported unobligated balances of \$297 million, or 7.4 percent of FY 2005 Discretionary funding including TANF transfers. States have an additional year to obligate these funds.