

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), \$2,099,729,000 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 \$9,864,000 shall be for use by the Secretary for child care research, demonstration, and evaluation activities.

Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and families
Child Care and Development Block Grant

Amounts Available for Obligation

	<u>2003 Enacted</u>	<u>2004 Final Conference</u>	<u>2005 Estimate</u>
Child Care and Development Block Grant	\$2,089,994,000	\$2,089,865,000	\$2,089,865,000
Research and Evaluation Fund	10,000,000	9,864,000	9,864,000
Enacted Rescission	-13,650,000	-12,419,000	
Subtotal, Adjusted Appropriation	\$2,086,344,000	\$2,087,310,000	\$2,099,729,000
Total Obligations	\$2,086,344,000	\$2,087,310,000	\$2,099,729,000

Child Care and Development Block Grant

SUMMARY OF CHANGES

2004 Final Conference.....	\$2,087,310,000
Total estimated budget authority	\$2,087,310,000
(Obligations)	\$2,087,310,000
2005 Estimate	\$2,099,729,000
(Obligations).....	\$2,099,729,000
Net change	+\$12,419,000
(Obligations).....	+\$12,419,000

	<u>2004 Final Conference Base</u>	<u>Change from Base</u>
Increases:		
A. <u>Program</u> :		
1. Child Care Development State Grants: Restoration of funding reduced during the 2004 appropriation process through application of statutory rescissions.	\$2,077,504,000	+\$12,361,000
2. Child Care Development Research Grants: Restoration of funding reduced during the 2004 appropriation process through application of statutory rescissions.	\$9,806,000	+\$58,000
Net Change.....	\$2,087,310,000	+\$12,419,000

Child Care and Development Block Grant

Budget Authority by Activity

	<u>2003 Enacted</u>	<u>2004 Final Conference</u>	<u>2005 Estimate</u>
Child Care and Development Block Grant	\$2,076,409,000	\$2,077,504,000	\$2,089,865,000
Research and Evaluation Fund	9,935,000	9,806,000	9,864,000
Total, BA	\$2,086,344,000	\$2,087,310,000	\$2,099,729,000

Budget Authority by Object

	<u>2004 Final Conference</u>	<u>2005 Estimate</u>	<u>Increase or Decrease</u>
Travel (21.0).....	\$1,700,000	\$1,700,000	
Advisory and assistance services (25.1).....	\$4,750,000	\$4,808,000	+\$58,000
Purchase of goods and services from government accounts (25.3).....	500,000	500,000	\$0
Grants, subsidies and contributions (41.0).....	2,080,360,000	2,092,721,000	+\$12,361,000
Total, BA	\$2,087,310,000	\$2,099,729,000	-\$12,419,000

Child Care and Development Block Grant

SIGNIFICANT ITEMS IN HOUSE, SENATE AND CONFERENCE APPROPRIATIONS COMMITTEE REPORTS

2004 Senate Report Language (S. Rpt 108-81)

Item

[Before and afterschool services and resource and referral programs] — The Committee recommendation continues specific earmarks in appropriations language, also included in the budget request, that provide targeted resources to specific policy priorities including \$19,120,000 for the purposes of supporting before and afterschool services, as well as resource and referral programs. This represents the Federal commitment to the activities previously funded under the dependent care block grant. The Committee 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. (p. 197)

Action Taken or to be Taken

The Child Care Bureau is informing state and tribal Child Care Lead Agencies of the earmark and is providing a range of technical services that will assist grantees in making decisions on how to invest these resources. In addition, 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

	2004 Amount Authorized ¹	2004 Final Conference	2005 Amount Authorized	2005 Budget Request
Section 658 B of the Child Care and Development Block Grant Act	\$2,099,994,000	\$2,087,310,000	\$2,099,994,000	\$2,099,729,000

¹ Expired in FY 2002.

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>
1996	1,048,825,000	934,642,000	934,642,000	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 Appropriation	1,182,672,000	1,182,672,000	1,182,672,000	1,182,672,000
Advance FY02	817,328,000	400,000,000	817,328,000	817,196,000
	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			2,099,994,000
<i>Rescission</i>				-13,649,961
				\$2,086,344,039
2004	2,099,729,000			\$2,099,729,000
<i>Rescission</i>				-\$12,419,000
				\$2,087,310,000
2005	2,099,729,000			

Child Care and Development Block Grant

Justification

	2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
Child Care and Development Block Grant	\$2,076,409,000	\$2,077,504,000	\$2,089,865,000	+\$12,361,000
Research and Evaluation Fund	9,935,000	9,806,000	9,864,000	+\$58,000
Total, BA	\$2,086,344,000	\$2,087,310,000	\$2,099,729,000	+\$12,419,000

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 2005 request

includes funding (\$9,864,000) for research and evaluation to 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 Section 658 B of the Child Care and Development Block Grant Act is pending Congressional action.

2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
\$2,076,409,000	\$2,077,504,000	\$2,089,865,000	+\$12,361,000

2005 Authorization.....\$2,089,994,000 (reflects authorization level as proposed in the President’s budget).

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. Federal funds enable states, tribes and territories to provide child care services through grants, contracts, and certificates to low-income families for a parent who is working or attending training or educational programs. This program is designed to help low-income families succeed at work and remain self-sufficient.

Funding for the Child Care and Development Block Grant for the last five years has been as follows:

2000.....	\$1,172,672,000
2001.....	\$1,989,927,500
2002.....	\$2,089,970,000
2003.....	\$2,076,409,000
2004	\$2,077,504,000

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 2005 request of \$2,089,865,000, an increase of \$12,361,000 over the 2004 Conference level, will provide funding to assist states in meeting the critical child care needs of families. The Child Care and Development Block Grant program 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

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$2,073,689,000	\$2,074,189,000	\$2,086,550,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	2,220,000	2,815,000	2,815,000
Program Support ¹	500,000	500,000	500,000
Total, Resources	\$2,076,409,000	\$2,077,504,000	\$2,089,865,000
<u>Program Data:</u>			
Number of Grants	321	321	321
New Starts:			
#	0	0	0
\$			
Continuations:			
#	321	321	321
\$	\$2,073,689,000	\$2,074,189,000	\$2,086,550,000
Contracts:			
#	4	4	4
\$	\$2,220,000	\$2,815,000	\$2,815,000
Interagency Agreements:			
#	0	0	0
\$			

¹ Includes funding for information technology support and other associated overhead.

RESEARCH AND EVALUATION FUND

Authorizing Legislation – Legislation to reauthorize Section 658 B of the Child Care and Development Block Grant Act is pending Congressional action.

2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
\$9,935,000	\$9,806,000	\$9,864,000	+\$58,000

2005 Authorization.... \$9,864,000. (reflects authorization level as proposed in the President’s budget).

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.

Funding for the Child Care and Development Block Grant Research and Evaluation fund has been as follows:

2000.....	\$10,000,000
2001.....	\$9,991,000
2002.....	\$9,972,000
2003.....	\$9,935,000
2004.....	\$9,806,000

Rationale for the Budget Request

For 2005 the request of \$9,864,000, a \$58,000 increase over the 2004 Conference level, will support continuing research, demonstration, and evaluation activities. 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.

Prior year funds have been used for a number of critical efforts, including:

- Rigorous evaluation of alternative state child care subsidy policies designed to identify effective strategies for improving outcomes for families and children.
- A four-year multi-site study of alternative approaches that show promise for improving the knowledge, skills, and performance of child care providers.
- Enhancement of states' capacity to collect administrative data and conduct policy-relevant research and analysis.
- Development of a Child Care Research Collaboration and Archive to provide web-based access to reports, papers, briefs, data and other research-related information to child care researchers and policymakers.
- Promotion of research partnerships involving a variety of stakeholders to link research, policy and practice.

The 2005 request will allow the continuation of efforts to further document emerging trends in the child care field and encourage evidence-based practices.

Resource and Program Data
Research and Evaluation Fund

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$0	\$0	\$0
Discretionary			
Research/Evaluation	7,300,000	7,171,000	7,229,000
Demonstration/Development	2,635,000	2,635,000	2,635,000
Training/Technical Assistance			
Program Support ¹	100,000	100,000	100,000
Total, Resources	\$9,935,000	\$9,806,000	\$9,864,000
<u>Program Data:</u>			
Number of Grants	34	25	25
New Starts:			
#	9	14	5
\$	\$1,600,000	\$2,714,000	\$1,464,000
Continuations:			
#	25	11	20
\$	\$5,071,000	\$4,450,000	\$4,707,000
Contracts:			
#	3	1	1
\$	\$2,864,000	\$2,242,000	\$3,293,000
Interagency Agreements:			
#	2	2	2
\$	\$400,000	\$400,000	\$400,000

¹ Includes funding for information technology support and other associated overhead.

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

FY 2005 DISCRETIONARY STATE/FORMULA GRANTS

PROGRAM: Child Care & Development Block Grant (CFDA #93.575)

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Alabama	\$41,669,808	\$41,347,462	\$41,590,526	\$243,064
Alaska	4,235,305	4,238,388	4,263,304	24,916
Arizona	45,571,488	47,827,407	48,108,566	281,159
Arkansas	24,908,331	24,828,097	24,974,052	145,955
California	237,916,955	236,074,407	237,462,196	1,387,789
Colorado	23,005,510	23,901,439	24,041,947	140,508
Connecticut	15,024,485	14,833,330	14,920,529	87,199
Delaware	4,457,902	4,405,682	4,431,581	25,899
District of Columbia	3,629,174	3,419,772	3,439,876	20,104
Florida	109,499,949	113,432,667	114,099,493	666,826
Georgia	71,135,781	74,026,767	74,461,941	435,174
Hawaii	8,396,509	8,540,023	8,590,226	50,203
Idaho	11,226,805	11,282,059	11,348,382	66,323
Illinois	79,108,757	78,796,914	79,260,130	463,216
Indiana	40,065,212	40,675,367	40,914,482	239,115
Iowa	19,106,391	18,451,717	18,560,187	108,470
Kansas	19,990,557	18,816,540	18,927,154	110,614
Kentucky	35,915,722	34,865,702	35,070,664	204,962
Louisiana	49,229,580	48,317,442	48,601,481	284,039
Maine	7,745,944	7,274,479	7,317,242	42,763
Maryland	27,852,704	28,257,372	28,423,486	166,114
Massachusetts	27,871,895	26,968,694	27,127,232	158,538
Michigan	60,260,357	59,304,470	59,653,098	348,628
Minnesota	26,588,285	25,791,248	25,942,865	151,617
Mississippi	33,831,691	33,350,196	33,546,248	196,052
Missouri	39,380,751	39,717,792	39,951,276	233,484
Montana	6,161,988	5,850,383	5,884,774	34,391
Nebraska	11,821,200	11,786,547	11,855,835	69,288
Nevada	11,693,764	12,666,526	12,740,987	74,461
New Hampshire	5,120,587	4,953,174	4,982,292	29,118
New Jersey	39,224,508	38,635,528	38,862,651	227,123
New Mexico	18,863,936	18,661,715	18,771,420	109,705
New York	116,406,824	112,928,164	113,592,023	663,859
North Carolina	61,674,871	64,051,195	64,427,726	376,531
North Dakota	4,442,320	4,128,455	4,152,725	24,270

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Ohio	69,277,206	69,473,155	69,881,560	408,405
Oklahoma	31,231,786	30,891,174	31,072,771	181,597
Oregon	22,218,120	22,511,528	22,643,865	132,337
Pennsylvania	65,775,370	63,998,511	64,374,732	376,221
Rhode Island	5,731,440	5,557,612	5,590,282	32,670
South Carolina	36,969,971	36,762,032	36,978,140	216,108
South Dakota	6,125,525	5,934,969	5,969,858	34,889
Tennessee	45,041,191	45,806,907	46,076,187	269,280
Texas	200,954,072	206,707,311	207,922,460	1,215,149
Utah	20,756,252	21,300,968	21,426,187	125,219
Vermont	3,352,999	3,159,692	3,178,266	18,574
Virginia	40,206,082	40,721,936	40,961,323	239,387
Washington	34,070,750	34,113,125	34,313,663	200,538
West Virginia	14,332,291	13,655,519	13,735,794	80,275
Wisconsin	30,894,490	30,504,115	30,683,435	179,320
Wyoming	3,195,665	3,073,625	3,091,694	18,069
Subtotal	1,973,169,056	1,976,579,299	1,988,198,814	11,619,515
Indian Tribes	41,726,881	41,746,200	41,994,580	248,380
American Samoa	2,646,159	2,647,385	2,767,911	120,526
Guam	3,974,740	3,976,580	3,960,731	-15,849
Northern Mariana Islands	1,625,883	1,626,636	1,732,999	106,363
Puerto Rico	44,872,022	42,537,576	42,787,638	250,062
Virgin Islands	2,184,938	2,185,949	2,037,004	-148,945
Subtotal	97,030,623	94,720,326	95,280,863	560,537
Total States/Territories	2,070,199,679	2,071,299,625	2,083,479,677	12,180,052
Technical Assistance	5,215,860	5,218,275	5,249,323	31,048
Research Set-Aside	9,935,000	9,798,000	10,000,000	202,000
Child Care Aware	993,500	994,100	1,000,000	5,900
Subtotal Adjustments	16,144,360	16,010,375	16,249,323	238,948
TOTAL RESOURCES	\$2,086,344,039	\$2,087,310,000	\$2,099,729,000	\$12,419,000