

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

CHILD CARE AND DEVELOPMENT BLOCK GRANT

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FY 2008 Proposed Appropriation Language

ADMINISTRATION FOR CHILDREN AND FAMILIES
Payments to States for Child Care and Development Block Grant

For carrying out the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et. Seq.), \$2,062,081,000 shall be used to supplement, not supplant State general revenue funds for child care assistance for low-income families: Provided, That \$18,777,370 shall be available for child care resource and referral and school-aged child care activities, of which \$982,080 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, \$267,785,718 shall be reserved by the States for activities authorized under 658G of which \$98,208,000 shall be for activities that improve the quality of infant and toddler care: Provided further, That \$9,821,000 shall be for use by the Secretary for child care research, demonstration, and evaluation activities.

**Comparison of Proposed FY 2008 Proposed Appropriation Language to
Most Recently Enacted Full-Year Appropriation**

ADMINISTRATION FOR CHILDREN AND FAMILIES
Payments to States for Child Care and Development Block Grant

For carrying out the Child Care and Development Block Grant Act of 1990 (**42 U.S.C. 9858 et. seq.**), ~~\$2,082,910,000~~ **\$2,062,081,000** shall be used to supplement, not supplant State general revenue funds for child care assistance for low-income families: *Provided, That ~~\$18,967,040~~ **\$18,777,370** shall be available for child care resource and referral and school-aged child care activities, of which ~~\$992,000~~ **\$982,080** 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, ~~\$270,490,624~~ **\$267,785,718** shall be reserved by the States for activities authorized under 658G of which ~~\$99,200,000~~ **\$98,208,000** shall be for activities that improve the quality of infant and toddler care: *Provided further, That ~~\$9,920,000~~ **\$9,821,000** shall be for use by the Secretary for child care research, demonstration, and evaluation activities.***

LANGUAGE ANALYSIS

Language Provision	Explanation
“(42 U.S.C. 9858 et. seq.)”	The appropriate United States Code reference has been inserted for the authority cited for clarification purposes.

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

Amounts Available for Obligation

	<u>2006 Enacted</u>	<u>2007 CR Level</u>	<u>2008 Pres. Budget</u>
Appropriation:			
Annual	\$2,082,910,000	\$2,062,081,000	\$2,062,081,000
Enacted Rescission	-20,829,000	0	0
Section 202 transfer to CMS.....	-1,417,000	0	0
Subtotal, Adjusted Appropriation	\$2,060,664,000	\$2,062,081,000	\$2,062,081,000
Total, Obligations	\$2,060,664,000	\$2,062,081,000	\$2,062,081,000

SUMMARY OF CHANGES

FY 2007 CR Level		
Total estimated budget authority		\$2,062,081,000
(Obligations)		(\$2,062,081,000)
FY 2008 Pres. Budget		
Total estimated budget authority		\$2,062,081,000
(Obligations)		(\$2,062,081,000)
Net change budget authority		\$0

ADMINISTRATION FOR CHILDREN AND FAMILIES
Child Care and Development Block Grant

Budget Authority by Activity
(Dollars in thousands)

	<u>2006</u> <u>Enacted</u>	<u>2007</u> <u>CR Level</u>	<u>2008</u> <u>Pres. Budget</u>
Child Care and Development Block Grant	\$2,051,143	\$2,052,260	\$2,052,260
Research and Evaluation Fund	9,521	9,821	9,821
Total, BA	\$2,060,664	\$2,062,081	\$2,062,081

Budget Authority by Object

	<u>2007</u> <u>CR Level</u>	<u>2008</u> <u>Pres. Budget</u>	<u>Increase or</u> <u>Decrease</u>
Rental Payments to GSA (23.1)	\$46,000	\$46,000	\$0
Advisory and Assistance Services (25.1)	6,430,000	6,430,000	0
Other Services (25.2)	300,000	300,000	0
Purchases from Govt. Accounts (25.3)	1,500,000	1,500,000	0
Grants (41.0)	<u>\$2,053,805,000</u>	<u>\$2,053,805,000</u>	<u>0</u>
Total	\$2,062,081,000	\$2,062,081,000	\$0

ADMINISTRATION FOR CHILDREN AND FAMILIES
Child Care and Development Block Grant

Authorizing Legislation

	2007 Amount Authorized	2007 CR Level	2008 Amount Authorized	2008 Budget Request
Section 658B of the Child Care and Development Block Grant Act of 1990. The authorization for this program expired on September 30, 2002.	\$2,100,000,000	\$2,062,081,000	\$2,100,000,000	\$2,062,081,000

ADMINISTRATION FOR CHILDREN AND FAMILIES
Child Care and Development Block Grant

APPROPRIATIONS HISTORY TABLE

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
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	1,182,672,000	1,182,672,000	1,182,672,000	1,182,672,000
Appropriation	817,328,000	400,000,000	817,328,000	817,196,000
Advance FY02	2,000,000,000	2,000,000,000	0	0
2002	2,199,987,000	2,199,987,000	2,000,000,000	2,099,994,000
<i>Rescission</i>				-15,000
				2,099,976,000
2003	2,099,994,000	2,099,994,000	2,099,994,000	2,099,994,000
Rescission				-13,649,961
				2,086,344,039
2004	2,099,729,000	2,099,729,000	2,099,729,000	2,099,729,000
Rescission				-12,419,000
				2,087,310,000
2005	2,099,729,000	2,099,729,000	2,099,729,000	2,099,729,000
Rescission				-16,808,000
2006	2,082,910,000	2,082,910,000	2,082,910,000	2,082,910,000
Rescission				-20,829,000
Section 202 Transfer to CMS				-1,417,000
2007	2,062,081,000			
2008	2,062,081,000			

Child Care and Development Block Grant

Justification

Authorizing Legislation — Section 658B of the Child Care and Development Block Grant Act.

	2006 Enacted	2007 CR Level	2008 Pres. Budget	Increase or Decrease
Child Care and Development Block Grant	\$2,051,143,000	\$2,052,260,000	\$2,052,260,000	\$0
Research and Evaluation Fund	9,521,000	9,821,000	9,821,000	0
Total, Budget Authority	\$2,060,664,000	\$2,062,081,000	\$2,062,081,000	\$0

2008 Authorization.....\$2,100,000,000 (reauthorization level pending Congressional action).

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 set asides 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 Block Grant 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 FY 2008 President's Budget request \$2,062,081,000 for this account represents current law requirements. No proposed law amounts are included.

Statement of the Budget Request — The 2008 budget request for the Child Care and Development Block Grant program will provide funding to assist states in meeting the critical child care

needs of families and will provide funding to allow the continuation of efforts to further document emerging trends in the child care field and encourage evidence-based practices.

Program Description — 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 program during the last five years has been as follows:

	<u>Block Grant</u>	<u>Research and Evaluation Fund</u>	<u>Total</u>
2003	\$2,076,409,000	\$9,935,000	\$2,086,344,000
2004	\$2,077,504,000	\$9,806,000	\$2,087,310,000
2005	\$2,073,001,000	\$9,920,000	\$2,082,921,000
2006	\$2,051,143,000	\$9,521,000	\$2,060,664,000
2007	\$2,052,260,000	\$9,821,000	\$2,062,081,000

These child care block grant funds will: (1) allow each state maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within each state; (2) promote parental choice to empower working parents to make their own decisions on child care that best suits their family's needs; (3) encourage states to provide consumer education information to help parents make informed choices about child care; (4) 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 (5) assist states in implementing the health, safety, licensing, and registration standards established in state regulations.

In accordance with ACF's goal of ensuring healthy, safe and affordable child care for America's working families, this program also 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. 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 multi-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 the Child Care and Early Education Research Connections 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.

Rationale for the Budget Request — The 2008 request is the same as the FY 2007 CR level. This request 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. This request 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 has 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.

Performance Analysis — A PART review was conducted in CY 2004 and the program received a rating of Moderately Effective. This process resulted in the Child Care Bureau (CCB) modifying most of its long-term goals and short-term measures to improve their precision as indicators of performance. The program is also undertaking a series of activities to measure erroneous payments and improve grantee oversight.

The child care program has two long-term goals. The first goal is designed to promote employment and self-sufficiency, measured by how many children of low-income working families are being served through Child Care and Development Fund (CCDF) and whether there are increases in the proportion of centers and homes that serve CCDF families.

The second long-term goal is designed to promote the quality of care and school-readiness of children ages 3 to 5, measured by how many states have implemented state early learning guidelines in literacy, language, pre-reading and numeracy for children and the extent to which the number of regulated/accredited child care centers and homes increases nationwide.

The program met all of its performance measure targets in FY 2005.

Resource and Program Data
Child Care and Development Block Grant

	2006 Actual	2007 CR Level	2008 Pres. Budget
<u>Resource Data:</u>			
Service Grants			
Formula	\$2,046,556,060	\$2,047,104,800	\$2,047,104,800
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	4,086,940	4,655,200	4,655,200
Program Support ¹	500,000	500,000	500,000
Total, Resources	\$2,051,143,000	\$2,052,260,000	\$2,052,260,000
<u>Program Data:</u>			
Number of Grants	312	313	313
New Starts:			
#	0	0	0
\$	\$0	\$0	\$0
Continuations:			
#	312	313	313
\$	\$2,046,556,060	\$2,047,104,800	\$2,047,104,800
Contracts:			
#	4	4	4
\$	\$4,086,940	\$4,655,200	\$4,655,200
Interagency Agreements:			
#	0	0	0
\$	\$0	\$0	\$0

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

