

CHILD CARE AND DEVELOPMENT FUND FISCAL YEAR 2011 STATE SPENDING FROM ALL APPROPRIATION YEARS

Background:

The Child Care and Development Fund (CCDF) financial expenditure report (ACF-696) details 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 and additional American Recovery and Reinvestment Act (ARRA funds) awarded in FY 2009. Reported expenditures are for administration, direct and non-direct services, and quality activities including congressionally mandated targeted funds 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. States continue to report on their expenditures of CCDF funds for each grant award year until expended.

Highlights:

The summary provides information on the expenditure of CCDF funds during the Fiscal Year (FY) 2011, which includes funding from the FY 2009, FY 2010, and FY 2011 CCDF appropriations. The CCDF expenditure data are reported by states and territories on the ACF-696. States expended a total of \$9.8 billion of combined federal and state funds, which includes both CCDF and TANF transfers into CCDF. Expenditures of federal CCDF funds were \$7.5 billion, comprised of \$5.5 billion from FY 2011 and \$2 billion from FY 2010 and FY 2009. On February 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009 into law (Pub.L. 111-5), which provided \$2 billion in supplemental discretionary CCDF funds. In FY 2011, states reported spending \$578 million from the FY 2009 ARRA appropriation (30 percent of total ARRA funding). States had until September 30, 2011, to liquidate their CCDF ARRA funds. Expenditures of State Matching and Maintenance of Effort (MOE) funds were \$2.3 billion. Some states report state expenditures in excess of the state share amounts required to draw down their full allotment of federal Matching funds; however, they are not required to do so. In FY 2011, about \$129 million in “excess” State Match and MOE expenditures were reported.

Table 1 - Expenditures in FY 2011 by Appropriation Year¹

	FY 2009	FY 2010	FY 2011	Total by Fund
Mandatory	\$233,566	\$107,850,141	\$1,135,656,614	\$1,243,740,321
Matching Federal	(\$180)*	\$268,115,300	\$1,511,566,619	\$1,779,681,739
Discretionary	\$88,330,356	\$953,658,620	\$2,899,201,282	\$3,941,190,258
ARRA Discretionary	\$578,139,749			\$578,139,749
<i>Subtotal Federal</i>	\$666,703,491	\$1,329,624,061	\$5,546,424,515	\$7,542,752,067
Matching State	\$40	\$77,464,540	\$1,248,697,297	\$1,326,161,877
CCDF MOE	(\$812,891)*	(\$10,983,403)*	\$966,664,491	\$954,868,197
<i>Subtotal State</i>	(\$812,851)*	\$66,481,137	\$2,215,361,788	\$2,281,030,074
Total	\$665,890,640	\$1,396,105,198	\$7,761,786,303	\$9,823,782,141

Direct Services. CCDF expenditures on direct child care services were \$7.6 billion or 78 percent of total federal and state expenditures (including MOE) in FY 2011. This includes \$355 million from ARRA.

¹ Expenditures may be negative because of changes in reported excess State Match and MOE in prior fiscal years.

* Negative number

Quality Activities. States spent \$1.2 billion (including targeted funds) or 12 percent of total federal and state expenditures in FY 2011 on quality activities. This exceeds states' required spending of approximately 7 percent, taking into account both the statutory minimum requirement and additional targeted quality funds in the annual appropriations process. The statute requires that a minimum of 4 percent of CCDF expenditures be spent on quality activities (excluding targeted funds) and applies to individual appropriation years. Compliance with this requirement is assessed at the end of the liquidation period. In 2011, congressional appropriations targeted additional funds toward quality in the following categories: (1) Child Care and Quality Improvement Activities; (2) Infant and Toddler Quality Improvement; and (3) Child Care Resource and Referral and School Age Care.

Administration. During FY 2011, states expended \$253 million or 3 percent of total federal and state expenditures (including MOE) on administrative activities. The statute limits CCDF administrative expenditures from each grant award year to no more than 5 percent. Compliance with this requirement is assessed at the end of the liquidation period.

Non-Direct Services. States spent \$723 million on non-direct services, or 7 percent of total state and federal expenditures in FY 2011. The breakdown of non-direct services expenditures is \$76 million on child care computer information systems, \$279 million on certificate programs and eligibility determinations, and \$368 million for other costs.

Chart 1 – Total FY 2011 Expenditures by Category (in millions)

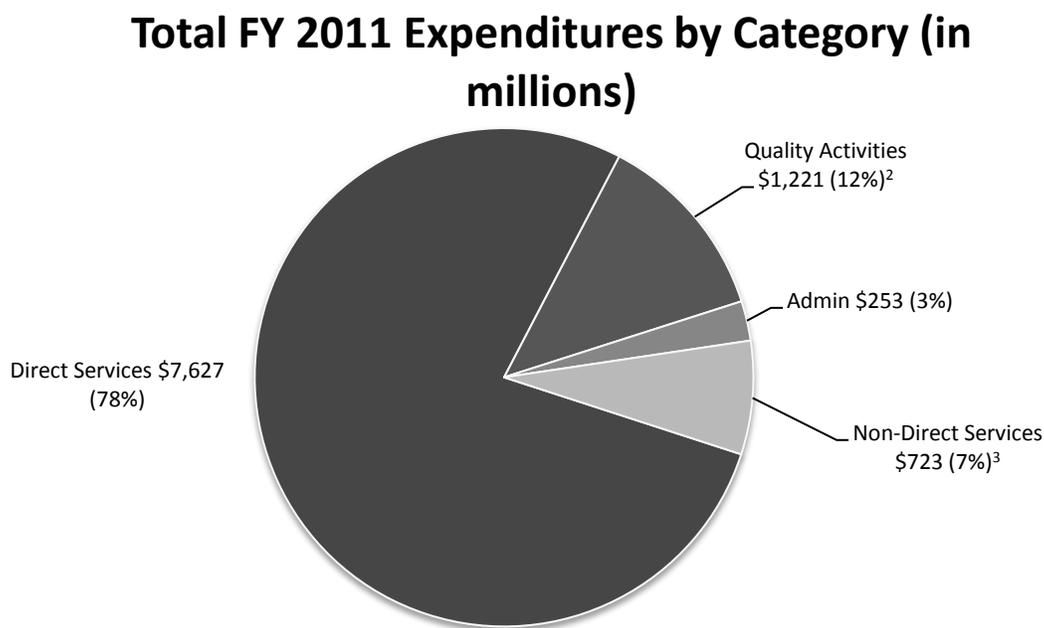


Chart 1 - Total FY 2011 Expenditures by Category (in millions)

Quality Activities: \$1,221 (12%)²

Admin: \$253 (3%)

Non-Direct Services: \$723 (7%)³

Direct Services: \$7627 (78%)

² Quality Activities include the expenditures of targeted funds.

³ Non-Direct services include expenditures related to the operation of voucher programs, eligibility determination and re-determination, and developing and maintaining computer systems.

Unobligated Funds. States reported unobligated balances of about \$364 million.

Table 2 - Unobligated⁴ Funds as of 09/30/11

	FY 2009	FY 2010	FY 2011	Total by Fund
Mandatory	\$0	\$24,438	\$0	\$24,438
Matching Federal	\$1	\$67,000	\$9,838,613	\$9,905,614
Discretionary	\$71,578	\$752,195	\$350,763,540	\$351,587,313
ARRA Discretionary	\$2,477,214	-	-	\$2,477,214
Total	\$2,548,793	\$843,637	\$360,602,153	\$363,994,579

Unliquidated Obligations. Of funds that have been obligated, states reported unliquidated balances of \$819 million.

Table 3 – Unliquidated⁵ Funds as of 09/30/11

	FY 2009	FY 2010	FY 2011	Total by Fund
Mandatory	\$0	\$1,919,858	\$41,868,167	\$43,788,025
Matching Federal	\$0	\$0	\$164,522,562	\$164,522,562
Discretionary	\$2	\$92,939,257	\$517,492,969	\$610,432,228
ARRA Discretionary	\$19,385	-	-	\$19,385
Total	\$19,387	\$94,859,115	\$723,883,698	\$818,762,200

⁴ Funds not meeting obligation deadlines are subject to de-obligation by ACF. States have 1 year to obligate mandatory funds if Matching funds are requested, 1 year to obligate Matching funds, and 2 years to obligate Discretionary funds. States had 2 years to obligate ARRA Discretionary funds.

⁵ Funds not meeting liquidation deadlines are subject to de-obligation by ACF. Mandatory funds do not have a liquidation deadline. States have 2 years to liquidate Matching funds and 3 years to liquidate Discretionary funds. States had 3 years to liquidate ARRA Discretionary funds.