

**CHILD CARE AND DEVELOPMENT FUND (CCDF)
STATE SPENDING UNDER THE FISCAL YEAR 2006 APPROPRIATION
AS OF 9/30/2006**

FY 2006 Highlights

This summary provides cumulative information obtained from State financial reports submitted for the FY 2006 CCDF appropriation showing cumulative expenditures through September 30, 2006. The FY 2006 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 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. *NOTE: This summary does not include expenditures in FY 2006 from funds appropriated in prior fiscal years. To see a complete picture of total child care expenditures during FY 2006 from all appropriation years view Overview at*

http://www.acf.hhs.gov/programs/ccb/data/expenditures/06acf696/fy06_overview_allyears.htm

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 2006. Nine States reported spending a total of \$84 million over the required MOE level with total MOE expenditures equaling \$972 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 \$1.5 billion in Federal expenditures with \$1.4 billion in State expenditures, complying with the match requirement (See *Unobligated Balances* paragraph for Matching funds returned from FY 2006 for reallocation in FY 2007.) Historical spending data show that some States report expenditures of State funds above the non-Federal share match amount required to draw down the full allotment of Federal matching funds. Since States have two years to liquidate matching funds, any “excess” non-Federal share can be identified at the end of the 2nd fiscal year following the grant award in Table 5b – Matching State Share.

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-nine States transferred funds to CCDF in amounts ranging from \$100,000 to \$548 million. A total of \$2 billion in FY 2006 Federal TANF funds was transferred to CCDF comprising 29 percent of total FY 2006 CCDF Federal funds (\$6.7 billion) available to States for FY 2006.

Unobligated Balances. One State released \$2.9 million, or 0.2 percent of FY 2006 Matching funds to be reallocated to States for FY 2007. Twenty-seven States reported unobligated balances of \$467 million, or 12 percent of FY 2006 Discretionary funding including TANF transfers. States have an additional year to obligate these funds.