

**CHILD CARE AND DEVELOPMENT FUND (CCDF)  
STATE SPENDING UNDER THE FISCAL YEAR 2007 APPROPRIATION  
AS OF 9/30/2007**

***FY 2007 Highlights:***

This summary provides cumulative information obtained from State ACF-696 financial reports submitted for the FY 2007 CCDF appropriation showing cumulative expenditures through September 30, 2007. The FY 2007 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 in FY 2007. 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.

As of September 30, 2007, cumulative expenditures from the FY 2007 appropriation totaled approximately \$8.4 billion. This total includes approximately \$825 million in excess State expenditures above the amounts required to draw down the full allotment of Federal CCDF Matching funds. These “excess” expenditures are State-only expenditures on child care and have the effect of inflating the cumulative FY 2007 expenditure total. Footnotes have been added to Table 5B – *Matching State Share* and Table 8b – *Maintenance of Effort Summary* identifying “excess” expenditures reported by States.

*Maintenance of Effort.* States reported spending the \$888 million of State funds necessary to meet the established MOE level for FY 2007. Seven States reported spending a total of \$105 million over the required MOE level with total MOE expenditures equaling \$993 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 \$1.9 billion in State expenditures, complying with the match requirement. Five States reported spending a total of \$720 million over the State Match amount required to draw down the full allotment of Federal Matching funds.

*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. In FY 2007, Thirty-seven States transferred a total of approximately \$2 billion in FY 2007 Federal TANF funds to CCDF.

*Unobligated Balances.* One State released \$122,956 in FY 2007 Matching funds to be reallocated to other States in FY 2008.