

**CHILD CARE AND DEVELOPMENT FUND (CCDF)
STATE SPENDING UNDER THE FISCAL YEAR 2009 APPROPRIATION
AS OF 9/30/2009**

FY 2009 Highlights:

This summary provides cumulative information obtained from State ACF-696 financial reports submitted for the FY 2009 CCDF appropriation showing cumulative expenditures through September 30, 2009. The FY 2009 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 2009 and additional American Recovery and Reinvestment Act (ARRA) funds. 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, 2009, cumulative expenditures from the FY 2009 appropriation totaled approximately \$7.9 billion. This total includes approximately \$115 million in excess State expenditures above the amounts required to draw down the full allotment of Federal CCDF funds. 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 2009. Seven States reported spending a total of \$57 million over the required MOE level with total MOE expenditures equaling \$944 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 Matching fund expenditures with \$1.3 billion in State expenditures. Five States reported spending a total of \$58 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 2009, Thirty-five States transferred a total of approximately \$1.7 billion in FY 2009 Federal TANF funds to CCDF.

TANF Direct. States also may spend TANF funds directly on child care. These expenditures are reported on the ACF-196 TANF Financial Report. In FY 2009, thirty-two States reported spending \$1.8 billion on child care directly from the TANF block grant.

ARRA. On Feb. 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009 into law (P.L. 111-5), which provided \$2 billion in supplemental discretionary CCDF funds. In FY 2009, States reported spending \$262 million (3% of FY 2009 expenditures from the FY 2009 appropriation and 13% of total ARRA funding) in ARRA funding. States have until September 30, 2011 to liquidate their CCDF ARRA funds. Most of the reported ARRA expenditures were on direct services (95% or \$247 million).

Unobligated Balances. Alabama released \$9.2 million, Idaho released \$8.2 million, and Utah released \$11.9 million in FY 2009 Federal Matching funds to be reallocated to other States in FY 2010.