

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

CHILD CARE AND DEVELOPMENT BLOCK GRANT

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

For carrying out [sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981 (The]*the* Child Care and Development Block Grant Act of 1990 []], [\$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.

*Department of Health and Human Services Appropriations Act, 2006*

**LANGUAGE ANALYSIS**

<b>Language Provision</b>	<b>Explanation</b>
[sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981 (The] <i>the</i>	Language deleted because it is redundant.

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

Amounts Available for Obligation

	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Estimate</u>	<u>2007</u> <u>Estimate</u>
Child Care and Development Block Grant	\$2,089,729,000	\$2,072,990,000	\$2,052,260,000
Research and Evaluation Fund	10,000,000	9,920,000	9,821,000
Enacted Rescission	-16,808,000	-20,829,000	
Subtotal, Adjusted Appropriation	\$2,082,921,000	\$2,062,081,000	\$2,062,081,000
Total Obligations	\$2,082,921,000	\$2,062,081,000	\$2,062,081,000

SUMMARY OF CHANGES

2006 Enacted .....	\$2,062,081,000
Total estimated budget authority .....	2,062,081,000
(Obligations) .....	2,062,081,000
 2007 Estimate .....	 \$2,062,081,000
(Obligations) .....	2,062,081,000
Net change .....	0
(Obligations) .....	0

Child Care and Development Block Grant

Budget Authority by Activity

	<u>2005 Enacted</u>	<u>2006 Estimate</u>	<u>2007 Estimate</u>
Child Care and Development Block Grant	\$2,073,001,000	\$2,052,260,000	\$2,052,260,000
Research and Evaluation Fund.....	9,920,000	9,821,000	9,821,000
Total, BA	\$2,082,921,000	\$2,062,081,000	\$2,062,081,000

Budget Authority by Object

	<u>2006 Enacted</u>	<u>2007 Estimate</u>	<u>Increase or Decrease</u>
Rental payments to GSA (23.1) .....	\$15,000	\$15,000	\$0
Advisory and assistance services (25.1).....	6,694,000	6,694,000	0
Other Services (25.2).....	23,000	23,000	0
Purchase of goods and services from government accounts (25.3).....	681,000	681,000	0
Grants, subsidies and contributions (41.0).....	2,054,668,000	2,054,668,000	0
Total, BA	\$2,062,081,000	\$2,062,081,000	\$0

Child Care and Development Block Grant

Authorizing Legislation

	2006 Amount Authorized <sup>1</sup>	2006 Enacted	2007 Amount Authorized	2007 Estimate
Section 658B of the Child Care and Development Block Grant Act	\$2,100,000,000	\$2,062,081,000	\$2,100,000,000	\$2,062,081,000

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<sup>1</sup> Reauthorization of the the Child Care and Development Block Grant is pending before Congress.

APPROPRIATIONS HISTORY TABLE  
Child Care and Development Block Grant

<u>Year</u>	<u>Budget Estimate To Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1997	\$1,048,825,000	\$950,000,000	\$956,120,000	\$956,120,000
1998	65,672,000	937,000,000	963,120,000	1,002,672,000
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 Appropriation	1,182,672,000	1,182,672,000	1,182,672,000	1,182,672,000
Advance FY02	817,328,000	400,000,000	817,328,000	817,196,000
	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
<i>Rescission</i>				-13,649,961
				2,086,344,039
2004	2,099,729,000	2,099,729,000	2,099,729,000	2,099,729,000
<i>Rescission</i>				-12,419,000
				2,087,310,000
2005	2,099,729,000	2,099,729,000	2,099,729,000	2,099,729,000
<i>Rescission</i>				-16,808,000
				2,082,921,000
2006	2,082,910,000	2,082,910,000	2,082,910,000	2,082,910,000
<i>Rescission</i>				-20,829,000
				2,062,081,000
2007	2,062,081,000			

# Child Care and Development Block Grant

## Justification

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

	2005 Enacted	2006 Enacted	2007 Estimate	Increase or Decrease
Child Care and Development Block Grant	\$2,073,001,000	\$2,052,260,000	\$2,052,260,000	\$0
Research and Evaluation Fund	9,920,000	9,821,000	9,821,000	0
<b>Total, BA</b>	<b>\$2,082,921,000</b>	<b>\$2,062,081,000</b>	<b>\$2,062,081,000</b>	<b>\$0</b>

2007 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 earmarks 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.

**Statement of the Budget Request** — The 2007 budget request of \$2,062,081,000 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 for the last five years has been as follows:

Fiscal Year	Block Grant	Research and Evaluation Fund	Total
2002	\$2,089,970,000	\$9,972,000	\$2,099,942,000
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	\$2,052,260,000	\$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 21<sup>st</sup> 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.

**Performance Analysis**— A PART review was conducted during the FY 2006 budget process and the Child Care program was rated 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 child care program has two long-term goals. The first goal is designed to promote employment and self-sufficiency by measuring how many children of low-income working families are being served through CCDF and whether there are increases in the proportion of centers and homes that serve CCDF families. ACF has established baselines for the measures under this goal, but does not yet have results available to compare to the baseline year.

The second long-term goal is designed to promote the quality of care and school-readiness of children ages 3 to 5 by measuring how many states have implemented state early learning guidelines in literacy, language, pre-reading and numeracy for children and the extent to which there are increases in the number of regulated/accredited child care centers and homes nationwide. ACF has established a baseline for the school readiness measure but does not yet have results available. For the second measure, ACF met its target in CY 2004 (see box below for more detail).

Performance Goal	Results	Context
<p>Increase by 10% the number of regulated child care centers and homes nationwide accredited by a recognized early childhood development professional organization.</p>	<p>The results for this measure indicate that the CY 2004 annual target was met. The number of accredited child care facilities has increased every year since 2001.</p>	<p>During CY 2004 several factors influenced the level of accredited programs:</p> <ul style="list-style-type: none"> <li>▪ A number of states used CCDF quality dollars to support accreditation efforts through grants and technical assistance.</li> <li>▪ A growing number of states established quality rating systems, often tied to accreditation, that inform parents and the public about the quality of particular early care and education settings. Many states also rewarded accredited programs with higher subsidy payment rates.</li> <li>▪ The National Association for the Education of Young Children (NAEYC) revised its accreditation system. The new system became fully operational in 2005. The effects on this measure could be substantial because NAEYC accredits a large proportion of child care facilities.</li> <li>▪ States indicated that increasing numbers of providers are now being accredited using state-recognized systems. The Child Care Bureau is exploring options for collecting this state-specific information.</li> </ul>

**Rationale for the Budget Request** — The 2007 request is the same as the FY 2006 enacted 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 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.

Resource and Program Data  
Child Care and Development Block Grant

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$2,067,793,697	\$2,047,104,800	\$2,047,104,800
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	4,707,303	4,655,200	4,655,200
Program Support <sup>1</sup>	500,000	500,000	500,000
Total, Resources	\$2,073,001,000	\$2,052,260,000	\$2,052,260,000
<u>Program Data:</u>			
Number of Grants	322	313	313
New Starts:			
#	0	0	0
\$			
Continuations:			
#	322	313	313
\$	\$2,067,793,697	\$2,047,104,800	\$2,047,104,800
Contracts:			
#	4	4	4
\$	\$4,707,303	\$4,655,200	\$4,655,200
Interagency Agreements:			
#	0	0	0
\$			

<sup>1</sup> Includes funding for information technology support and other associated overhead.

Resource and Program Data  
Research and Evaluation Fund

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$0	\$0	\$0
Discretionary			
Research/Evaluation	8,837,027	9,471,000	9,471,000
Demonstration/Development	700,000	0	0
Training/Technical Assistance	0	0	0
Program Support <sup>1</sup>	382,973	350,000	350,000
Total, Resources	\$9,920,000	\$9,821,000	\$9,821,000
<u>Program Data:</u>			
Number of Grants	26	27	19
New Starts:			
#	6	6	12
\$	\$179,115	\$81,000	\$3,785,417
Continuations:			
#	20	21	7
\$	\$7,359,878	\$6,694,434	\$4,100,000
Contracts:			
#	4	4	6
\$	\$1,831,967	\$2,442,940	\$1,275,583
Interagency Agreements:			
#	1	1	3
\$	\$250,000	\$272,500	\$415,000

<sup>1</sup> Includes funding for information technology support and other associated overhead.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES**

**FY 2007 DISCRETIONARY STATE/FORMULA GRANTS**

**PROGRAM: Child Care & Development Block Grant (CFDA #93.575)**

<b>STATE/TERRITORY</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Enacted</b>	<b>FY 2007 Estimate</b>	<b>Difference +/- 2006</b>
Alabama	\$41,574,362	40,569,247	40,569,247	\$0
Alaska	4,058,874	4,032,103	4,032,103	0
Arizona	49,264,832	49,980,468	49,980,468	0
Arkansas	25,160,651	24,687,403	24,687,403	0
California	229,313,555	229,047,995	229,047,995	0
Colorado	23,439,958	23,741,548	23,741,548	0
Connecticut	14,528,318	14,307,909	14,307,909	0
Delaware	4,605,062	4,526,784	4,526,784	0
District of Columbia	3,278,602	3,096,666	3,096,666	0
Florida	113,701,293	114,859,336	114,859,336	0
Georgia	74,992,988	75,706,524	75,706,524	0
Hawaii	8,440,286	8,101,560	8,101,560	0
Idaho	11,593,332	11,587,689	11,587,689	0
Illinois	78,276,335	75,972,064	75,972,064	0
Indiana	41,625,800	41,414,867	41,414,867	0
Iowa	18,472,550	18,221,623	18,221,623	0
Kansas	19,029,645	18,827,351	18,827,351	0
Kentucky	36,065,643	35,446,875	35,446,875	0
Louisiana	48,102,061	47,004,335	47,004,335	0
Maine	6,963,613	6,853,702	6,853,702	0
Maryland	27,004,464	26,273,487	26,273,487	0
Massachusetts	26,244,647	25,617,424	25,617,424	0
Michigan	59,473,984	58,727,019	58,727,019	0
Minnesota	25,913,854	25,804,310	25,804,310	0
Mississippi	33,165,186	32,286,028	32,286,028	0
Missouri	39,484,161	38,888,146	38,888,146	0
Montana	5,877,949	5,700,737	5,700,737	0
Nebraska	12,008,236	11,887,859	11,887,859	0
Nevada	13,303,688	13,532,374	13,532,374	0
New Hampshire	4,892,086	4,723,736	4,723,736	0
New Jersey	37,390,537	36,875,232	36,875,232	0
New Mexico	18,814,211	18,524,124	18,524,124	0
New York	109,664,681	107,493,625	107,493,625	0
North Carolina	65,039,493	65,053,659	65,053,659	0
North Dakota	4,027,359	3,833,368	3,833,368	0

<b>STATE/TERRITORY</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Enacted</b>	<b>FY 2007 Estimate</b>	<b>Difference +/- 2006</b>
Ohio	68,799,842	67,684,535	67,684,535	0
Oklahoma	31,772,547	31,239,984	31,239,984	0
Oregon	22,330,947	22,324,660	22,324,660	0
Pennsylvania	62,847,805	62,762,166	62,762,166	0
Rhode Island	5,964,250	5,810,818	5,810,818	0
South Carolina	37,591,497	37,055,908	37,055,908	0
South Dakota	5,875,210	5,725,671	5,725,671	0
Tennessee	45,485,688	45,109,029	45,109,029	0
Texas	210,973,077	210,982,533	210,982,533	0
Utah	22,446,029	22,359,156	22,359,156	0
Vermont	2,993,744	2,946,396	2,946,396	0
Virginia	40,273,777	39,833,838	39,833,838	0
Washington	33,570,676	33,005,803	33,005,803	0
West Virginia	14,288,728	13,682,218	13,682,218	0
Wisconsin	30,374,011	29,782,518	29,782,518	0
Wyoming	2,885,501	2,803,303	2,803,303	0
<b>Subtotal</b>	<b>1,973,265,625</b>	<b>1,956,315,713</b>	<b>1,956,315,713</b>	<b>0</b>
Indian Tribes	41,658,425	41,241,620	41,241,620	0
American Samoa	2,514,556	2,680,745	2,680,745	0
Guam	4,190,927	4,063,930	4,063,930	0
Northern Mariana Islands	1,594,221	1,700,190	1,700,190	0
Puerto Rico	41,463,358	38,254,959	38,254,959	0
Virgin Islands	2,114,902	1,865,540	1,865,540	0
<b>Subtotal</b>	<b>93,536,389</b>	<b>89,806,984</b>	<b>89,806,984</b>	<b>0</b>
<b>Total States/Territories</b>	<b>2,066,802,014</b>	<b>2,046,122,697</b>	<b>2,046,122,697</b>	<b>0</b>
Technical Assistance	5,207,303	5,155,203	5,155,203	0
Research Set-Aside	9,920,000	9,821,000	9,821,000	0
Child Care Aware	991,931	982,100	982,100	0
<b>Subtotal Adjustments</b>	<b>16,119,234</b>	<b>15,958,303</b>	<b>15,958,303</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$2,082,921,248</b>	<b>\$2,062,081,000</b>	<b>\$2,062,081,000</b>	<b>\$0</b>

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