

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is a light blue color with darker blue outlines for continents. The hourglass is centered on the page.

WikiLeaks Document Release

<http://wikileaks.org/wiki/CRS-RL31274>

February 2, 2009

Congressional Research Service

Report RL31274

Child Care: Funding and Spending under Federal Block Grants

Melinda Gish, Domestic Social Policy Division

Updated March 19, 2002

Abstract. This report focuses on the financing structure of the Child Care and Development Fund (CCDF), actual expenditures made from it, and the role of TANF and the Social Services Block Grant (SSBG) in child care funding and spending. Congress is expected to confront child care financing issues this year as part of both the child care and welfare reauthorizations.

WikiLeaks

CRS Report for Congress

Received through the CRS Web

Child Care: Funding and Spending under Federal Block Grants

Updated March 19, 2002

Melinda Gish
Analyst in Social Legislation
Domestic Social Policy Division

<http://wikileaks.org/wiki/CRS-RL31274>

Child Care: Funding and Spending Under Federal Block Grants

Summary

The welfare reform law of 1996 (P.L. 104-193) sharply increased federal child care funding for low-income families, with the expectation that new work requirements for welfare parents (most of whom were single mothers) would increase demand for child care services. This additional funding was accompanied by the creation of a unified and expanded Child Care and Development Block Grant (CCDBG) program, with the aim of serving low-income families, regardless of welfare status. The expanded program is financed through two funding streams commonly referred to in combination as the Child Care and Development Fund (CCDF).

CCDF appropriations in FY2002 from the two funding streams total \$4.8 billion: \$2.7 billion in mandatory funding and \$2.2 billion in discretionary funds (**Figure 1**). The two funding streams fall under separate committee jurisdictions, and carry with them different rules regarding allocation, state matching requirements, and time limits for obligating and spending money. A portion of the mandatory funding is “guaranteed” to states and is based on states’ spending on child care prior to the 1996 welfare law. In order for a state to be eligible for its share of the remaining mandatory funds, which require state matching, the state must first spend a designated amount (also based on historical spending) of its own state funds. Discretionary CCDF funding is 100% federal (i.e., requires no state match) and is allocated according to a different formula than either portion of mandatory funds. *Both* the mandatory *and* the discretionary funding streams expire at the end of FY2002 and are due to be reauthorized this year, the mandatory funding as part of welfare (TANF) reauthorization.

Although the CCDF is the only federal grant program dedicated solely for the purpose of providing child care subsidies and activities for low-income families, states also are using two other federal block grants for this purpose: TANF and the Social Services Block Grant (SSBG). States have increasingly used TANF dollars for child care services within their TANF programs (\$2.2 billion in FY2000) in addition to transferring TANF funds to the CCDF. The TANF transfers to CCDF in FY2000 (\$2.4 billion) exceeded the discretionary funds appropriated for any single year so far. Overall, expenditure data show that in FY2000, states spent more than \$9 billion in federal and state funds associated with the CCDF and TANF – more than double the amount spent on child care via these programs in FY1997. SSBG expenditure data are not available for FY2000, but states are reported to have spent almost \$400 million in SSBG funds in FY1999 to support child care services.

As Congress decides how much funding to make available for child care, it will need to consider multiple programs, and the various funding streams within them. It is unclear whether the current level of child care funding via TANF and SSBG will be sustained if the recent economic downturn gives rise to needs perceived to be more pressing.

Contents

Introduction	1
Overview of Child Care Changes in 1996	2
Welfare (AFDC) Child Care Programs	2
CCDBG	2
How the 1996 Welfare Law Expanded Child Care Funds	3
The Child Care and Development Fund (CCDF)	5
“CCDF” v. “CCDBG”: What’s in a name?	5
CCDF Funding Streams	5
Mandatory Funding	5
Discretionary Funding	5
Time Limits on States for Obligating and Spending CCDF Funds	7
Additional Funding Sources: TANF and SSBG	9
TANF	9
SSBG	10
Analysis of Child Care Expenditures	11
Overview of Child Care Spending Trends	12
What is the “Big Picture”?	12
Trends in CCDF Spending	13
CCDF Spending in FY2000	14
TANF Child Care Spending	16
Role of the TANF MOE in Calculating Child Care Spending	16
Trends in TANF Child Care Spending	16
CCDF Trends	17
TANF Trends	17
A Closer Look at FY2000	22
Filling In the Big Picture	27
Funding Issues in Reauthorization	27

List of Figures

Figure 1. Components of Child Care System Prior to 1996 Welfare Law	3
Figure 2. Time Limits for Obligation and Expenditure of CCDF by Funding Type	9
Figure 3. “The Big Picture” Child Care Spending Trends FY1992-FY2000 CCDF, TANF, and Predecessor Programs Combined	13
Figure 4. Child Care Spending Trends FY1992-2000 by type of funding source	27

List of Tables

Table 1. CCDF Appropriations (Mandatory and Discretionary) FY1997-FY2002	7
Table 2. SSBG Appropriations and TANF Transfers	11
Table 3. Total CCDF Expenditures by Funding Source FY1992-FY2000	14
Table 4. CCDF Expenditures Made in FY2000 by Funding Type and Year of Funding Source	15
Table 5. TANF Child Care Spending FY1997-FY2000	17
Table 6. Total CCDF Expenditures by State: FY1992-FY2000	18
Table 7. TANF Child Care Expenditures	20
Table 8. FY2000 CCDF Expenditures by Fund	23
Table 9. Computation of "Excess" TANF MOE Child Care Expenditures in FY2000	25
Appendix A. FY2002 CCDF Allotments, by Funding Type	29
Appendix B. Transfers from TANF to CCDF, cumulatively (FY1997-FY2000) and for FY2000, by state (with percentages of cumulative grants and FY2000 TANF grant)	31
Appendix C. Total CCDF and TANF Child Care Expenditures by Funding Source: FY1992-FY2000	33

Acknowledgement

Special thanks to Gene Falk of the Congressional Research Service (CRS) for his valuable comments and technical contributions to this report. Additional thanks to CRS colleagues Vee Burke, Christine Devere, Tom Gabe, Carmen Solomon-Fears, Karen Spar, and Emilie Stoltzfus for their comments, and Angela Harris for her production assistance.

Child Care: Funding and Spending Under Federal Block Grants

Introduction

The welfare reform law of 1996 (P.L. 104-193) provided an increase in federal child care funding for low-income families, with the expectation that newly implemented work requirements for welfare recipients (many being single mothers) would create a greater demand for child care services. This additional funding was accompanied by the creation of a unified and expanded Child Care and Development Block Grant (CCDBG) program, with the aim of serving low-income families, regardless of welfare status. The expanded program is financed through two funding streams: one discretionary (authorized by the CCDBG Act), and one mandatory (appropriated under Section 418 of the Social Security Act). These two funding streams are commonly referred to in combination as the Child Care and Development Fund (CCDF).

Since passage of the welfare law, states have spent increasing amounts of both federal and state money on child care. (As will be discussed later, a portion of federal mandatory funding to states is contingent on states spending some of their own state funds on child care.) Although the CCDF is considered the primary source of federal funding for child care subsidies for low-income working and welfare families, two other federal block grants are contributing significantly to the child care funding picture: the Temporary Assistance for Needy Families (TANF) block grant, and the Social Services Block Grant (SSBG).

States use all three of these sources to help finance child care assistance for families, but only the CCDF is dedicated solely for this purpose. The CCDF supports child care subsidies and activities, and nothing else, whereas TANF and SSBG provide a wide range of assistance, including child care.

This report focuses on the financing structure of the CCDF, actual expenditures made from it, and the role of TANF and the SSBG in child care funding and spending. Authorization for the discretionary portion of the CCDF and appropriations for both the CCDF mandatory funds, as well as the TANF block grant, are due to expire at the end of FY2002. Therefore, Congress is expected to confront child care financing issues this year as part of both the child care and welfare reauthorizations. Debates over the level of funding necessary for child care are already percolating, and although the 1996 law consolidated several components of federal child care funding, the financing structure remains complicated, potentially leading to calls for simplification. Multiple CCDF funding streams (with different state funding and spending rules) fall under different congressional committee jurisdictions, and comprise only a portion of a complex child care financing picture.

Seeing the full picture also requires focusing on the degree to which TANF funds contribute to child care expenditures. Recent TANF expenditure data show that states are spending increasing amounts of TANF funds for child care services *within the TANF program* (\$2.2 billion in FY2000); however, the extent to which this will continue during an economic downturn is an unanswered question for TANF and child care state administrators alike. States also have the authority to transfer up to 30% of their annual TANF block grant to the CCDF and/or the SSBG (at a maximum of 10%) for use under those programs' rules, and as this report will discuss, many states have done so.

Before examining these three sources of child care funding in greater detail, the next section provides an overview of how changes made as part of the 1996 welfare law affected child care programs and funding. The report concludes with an analysis of trends in child care expenditures, both nationally and by state, and the implications of the recent spending trends for reauthorization.

Overview of Child Care Changes in 1996

The current structure of federal child care programs and funding is more easily understood by tracing its evolution from the system that existed prior to 1996, when the welfare law simultaneously repealed, created, and consolidated child care programs described below.

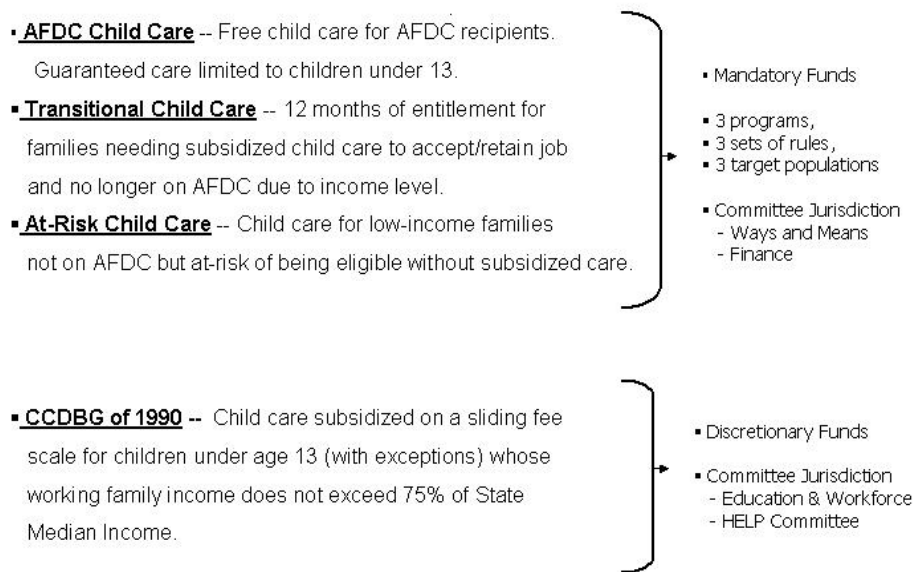
Welfare (AFDC) Child Care Programs. Before 1996, four separate federal programs specifically supported child care for low-income families. Three were associated with the cash welfare system. Families on welfare (then Aid to Families with Dependent Children (AFDC)) were entitled to free child care. Families who had left the AFDC rolls with employment were entitled to 12 months of "transitional" subsidized child care. The third AFDC-related child care program targeted families who, without a child care subsidy, would be "at risk" of qualifying for AFDC. These three programs operated under three separate sets of rules, and targeted three separate populations. Critics argued that mothers navigating their way through the welfare system faced unnecessary complexity that could be alleviated with a more unified child care program.

All three of the AFDC-related child care programs were funded with mandatory money, and fell under the same congressional committee jurisdiction (Ways and Means Committee in the House, and the Finance Committee in the Senate). AFDC Child Care and Transitional Child Care were both open-ended federal entitlements (i.e., there was no limit on program funding), with the federal share of payments to states based on the state's Medicaid matching rate. The AFDC At-risk program, on the other hand, was not open-ended, but was instead authorized as a "capped entitlement" to the states at an annual level of \$300 million.

CCDBG. The fourth pre-1996 child care program for low-income families was the Child Care and Development Block Grant (CCDBG). Established in 1990, it supported child care for low-income families not connected to the AFDC welfare system. The block grant subsidized child care for children under age 13 whose

working family income did not exceed 75% of state median income (SMI), adjusted for family size. In addition, it provided funds for activities to improve the overall quality and supply of child care for families in general. Unlike the AFDC-related programs, the CCDBG was funded with discretionary funds appropriated as part of the annual appropriations process. Authorizing legislation fell under the jurisdiction of the Education and Labor Committee in the House (later renamed the Committee on Education and the Workforce) and the Labor and Human Resources Committee in the Senate (later renamed the Committee on Health, Education, Labor and Pensions).

Figure 1. Components of Child Care System Prior to 1996 Welfare Law



How the 1996 Welfare Law Expanded Child Care Funds. The 1996 welfare reform law (P.L. 104-193) repealed AFDC and its three associated child care programs. Like cash welfare, child care was no longer to be an individual entitlement to welfare families. Instead of preserving three separate programs, the new law created a consolidated block of mandatory funding under Section 418 of the Social Security Act. Like the earlier three programs, this new block of funding was designed to be largely targeted toward families on, leaving, or at risk of receiving welfare (now Temporary Assistance for Needy Families (TANF)).¹ However, unlike the three

¹ Section 418 of the Social Security Act requires that states spend at least 70% of their mandatory child care funds on families receiving TANF assistance, families attempting to transition from TANF to work, or those “at-risk” of welfare dependency. However, because the at-risk group is not defined as a distinct group from other working poor families (the targeted group for CCDBG discretionary funds), the 70% target could, in practice, be met by spending all funds on low-income working families with no connection to TANF (i.e., the requirement could be met by spending all of the “earmarked” funds on “at-risk” families).

(continued...)

AFDC-related child care programs, each of which was administered under its own set of rules, the 1996 law instructed that the new mandatory funding be transferred to each state's lead agency managing the CCDBG, and be administered according to CCDBG rules. The law appropriated \$13.9 billion for this new child care block grant over 6 years (up \$4 billion from spending estimated by CBO under old law). Committee jurisdiction for the mandatory funds remained with the House Ways and Means and Senate Finance Committees.

In addition to creating the new block of mandatory child care funding, the 1996 welfare law reauthorized and amended the CCDBG. The 1996 law authorized discretionary funding levels at \$1 billion annually (the authorized "such sums as necessary" for FY1995 had led to an appropriation of \$935 million), and modified the program rules, including an expansion of program eligibility (from 75% of SMI to 85% of SMI). The discretionary funding and the CCDBG program rules remained under the same committees' jurisdiction as before.

This combination of new mandatory funding and expanded CCDBG discretionary funding is commonly referred to as the Child Care and Development Fund (CCDF) and makes up the largest source of federal program funding (\$4.8 billion in FY2002) appropriated solely for child care subsidies and child care activities for low-income families.² (States are required to spend no less than 4% of their combined mandatory and discretionary CCDF allotments on activities to improve the quality and availability of child care.) A more detailed explanation of the CCDF, its funding streams, rules, and appropriations, is provided below.

¹ (...continued)

National data on CCDF subsidy receipt by TANF status are not available.

² Other federal programs and tax provisions related to child care, but not discussed in this report, include Head Start, the 21st Century Learning Center Program, the Child and Adult Care Food Program, the Dependent Care Tax Credit, and the Dependent Care Assistance Program. For a description of these programs and recent funding levels, see CRS Report RL30944, *Child Care Issues in the 107th Congress*, by Melinda Gish.

The Child Care and Development Fund (CCDF)

“CCDF” v. “CCDBG”: What’s in a name?

The “Child Care and Development Fund” (or “CCDF”) is a term that emerged from the aforementioned consolidation and expansion of child care programs that took place in 1996. This term does *not* appear anywhere in statute, but rather was coined by the Department of Health and Human Services (HHS) to refer to the combination of mandatory and discretionary funding provided to states for their use in administering child care programs governed by the rules and regulations of the CCDBG. Readers should note that while the “CCDF” is in essence a funding term, it is not unusual for it to be used interchangeably with “CCDBG.” Nevertheless, from a financing perspective, there are technical distinctions between these two acronyms, which are noted in the following discussion of the multiple funding streams that comprise the CCDF.

CCDF Funding Streams

Mandatory Funding. The mandatory funding component of the CCDF is sometimes referred to as “entitlement” funding. This refers to an entitlement to *states*, not individuals. Although the *individual* entitlement to child care was eliminated in 1996, *states* remain entitled to a portion of federal funds for child care. From specified annual block-granted amounts appropriated in Section 418 of the Social Security Act (for FY1997-FY2002) as part of the 1996 law, each state receives a fixed amount. That fixed amount is **guaranteed**, and equal to the funding received by each respective state under the three earlier AFDC-child care related programs in FY1994, FY1995, or the average of FY1992-FY1994, whichever is greatest. In other words, states are entitled to receive this portion of federal funding without having to “match” those dollars with any child care spending from their own state funds.

In order for a state to be eligible for its share of the remaining funds (also known as “**matching funds**”), that state must first meet a “**maintenance-of-effort (MOE) requirement.**” Meeting the MOE requires that a state expend at least the same amount of state funds for child care as it did under its AFDC-related child care programs in FY1995 or FY1994 (whichever was higher). Once a state’s child care spending has reached that MOE level in the given year, it may begin to access its share of the year’s remaining federal mandatory funds. States’ matching fund allotments are determined after setting aside the “guaranteed” mandatory portion described above, and are based upon each state’s relative share of children under age 13. Every dollar of state child care expenditures above the MOE amount is matched at the state’s Medicaid matching rate, to the extent provided for by the state’s allotment of federal matching funds.³

Discretionary Funding. The discretionary portion of the CCDF is authorized by the Child Care and Development Block Grant Act (as amended in 1996). Actual funding amounts are determined in the annual appropriations process. This portion

³ A table of state CCDF allotments for FY2002, by funding type, is found in **Appendix A**.

has sometimes been singled out as “the CCDBG funding” when referring to funding trends over time, because prior to 1996, the discretionary child care funding was the sole source of CCDBG funding. However, since 1996, the distinction between discretionary and mandatory funds has not been so relevant from the programmatic angle (since all CCDF money is directed to CCDBG programs), but rather from the standpoint of differences in rules regarding the time limits that states have for obligating and expending the different funding streams (discussed below) and state matching requirements on those funds.

Discretionary funds are allocated among states according to the formula contained in the original CCDBG Act of 1990 and retained in the amended act of 1996. That formula is based on each state’s share of children under age 5, its share of children receiving free or reduced-price lunches, and its per capita income. Half of 1% of the appropriated funds is reserved for payments to the territories, and between 1% and 2% is reserved for Indian tribes and tribal organizations. (CCDF allotments for FY2002 categorized by funding type (i.e., mandatory, matching, and discretionary) are found in **Appendix A**.) Discretionary funds do not require a state match. The CCDBG Act currently authorizes funding through FY2002 at \$1 billion annually; however, actual appropriations have surpassed that level (up to \$2.1 billion in FY2002).

Funding made available for both the discretionary and mandatory portions of the CCDF for each of FY1997 through FY2002 are shown in **Table 1**. The second and third columns of the table distinguish between advance and same year appropriations, with the fourth column showing the total discretionary funding amount available for the given fiscal year. Readers should note that the total amount shown as *appropriated* does *not* reflect all funds ultimately made available for CCDF expenditures. As mentioned earlier in this report, states may transfer a portion of their TANF allotments to the CCDF for expenditure under that program, and have chosen to do so in varying degrees.

How are States’ CCDF Allotments Determined?

\$ *Mandatory “Guaranteed” Funds*

Each state receives a fixed amount, based on its historic levels of AFDC-related child care spending.

\$ *Mandatory Federal Matching Funds*

Each state’s allotment is based on its relative share of children under age 13. (MOE requirement must be met in order to be eligible for matching funds.)

\$ *Discretionary Funds*

Each state’s allotment is based on three factors:

- ▶ Its share of children under age 5
- ▶ Its share of children receiving free or reduced-price lunches
- ▶ Per capita income

**Table 1. CCDF Appropriations (Mandatory and Discretionary)
FY1997-FY2002**
(\$ in millions)

Fiscal year	Discretionary Funding			Mandatory (“Entitlement”) funding	Total
	Advance appropriation from prior year	Same year’s appropriation	All available funds for FY		
1997	0 ^a	19 ^a	19 ^a	1,967	1,986^a
1998	937	66	1,003	2,067	3,070
1999	1,000	0	1,000	2,167	3,167
2000	1,183	0	1,183	2,367	3,550
2001	1,183	817	2,000	2,567	4,567
2002	0	2,100	2,100	2,717	4,817

Source: Table prepared by the Congressional Research Service (CRS) using annual Health and Human Services (HHS), Administration for Children and Families budget justifications.

^a What appears in the table to be limited discretionary CCDF funding in FY1997, and consequently, in total funding, actually reflects a shift to advance appropriating of funds for the following fiscal year. The FY1997 appropriation law provided \$956 million for CCDBG, with only \$19 million available immediately during FY1997, and the remainder available on October 1, 1997 (the first day of FY1998). In earlier years the funds appropriated for CCDBG became available for obligation only in the last month of the given fiscal year, and therefore most of the appropriation for a given year (\$935 million in FY1996) was actually obligated in the following fiscal year.

Time Limits on States for Obligating and Spending CCDF Funds.

Specific and different rules govern time limits for obligating and spending CCDF money, depending on the funding stream (**Figure 2**). First, what does it mean for a state to “obligate” funds? Essentially, obligated CCDF funds reflect money that states have committed to spend from their CCDF grant awards.⁴ CCDF regulations impose some restrictions on state definitions of “obligations,” but generally leave discretion to the states in defining what constitutes an obligation. Examples of obligations may involve states “subgranting” funds to programs that operate independent of state agencies (i.e., state-supervised county-run programs or private contractors) or making transactions that require future payment for services. When the state actually makes a payment for the service, an expenditure is recorded.

CCDF Discretionary Funds. States have 2 years in which to obligate discretionary funds appropriated in a given fiscal year. States have an additional year to actually spend the money (in other words, a total of 3 fiscal years from the time of appropriation). For example, CCDF discretionary funding appropriated for FY2001

⁴ Note that the rules being discussed here regarding obligations and expenditures apply to *states*, not the *federal* government. From the perspective of the federal budget, an “obligation” instead refers to the CCDF grants awarded to states.

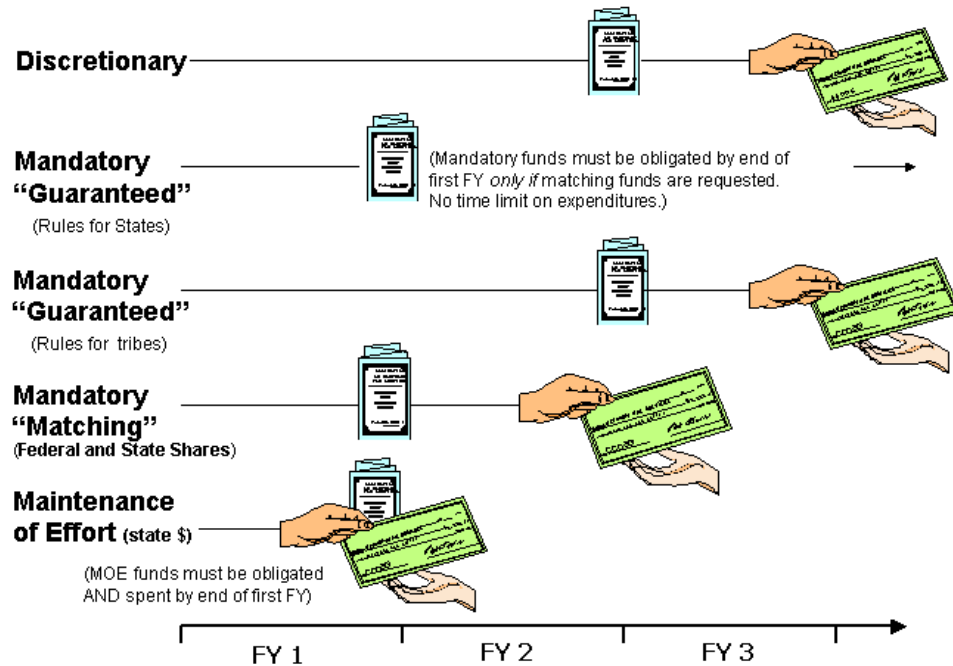
is available for obligation through the end of FY2002. States then have until the end of FY2003 to actually make payments on those obligations. (They can, however, make expenditures at any point within the 3-year period.) If a state fails to make expenditures for all its obligations within the 3-year limit, HHS will take back that portion of the grant award that is not spent.

CCDF Mandatory Funds. The deadlines for states to obligate and expend mandatory funds differ from those for discretionary funds. (Different rules apply to Indian tribes.)

- **Mandatory “guaranteed” CCDF funds** must be obligated by the end of the fiscal year in which they are awarded, *only if* the state intends to qualify for matching funds. If a state does not intend to qualify for matching funds, there is no deadline for obligating funds. Regardless, there is no deadline for states to expend these funds. As explained earlier, in order for a state to qualify for federal matching funds, it must first meet a maintenance-of-effort (MOE) requirement.
- **MOE state funds** must be obligated *and* expended within the fiscal year of the grant award if the state is to become eligible to receive its share of federal matching funds for that year.
- **Matching funds (both the federal and state share)** must be obligated within the fiscal year of the grant award. A state then has an additional year to make expenditures. In the event a state fails to expend its share of matching CCDF funds by the end of the second fiscal year, HHS will take back the unmatched portion of the federal grant award.

Figure 2 provides a pictorial representation of the varying time frames that states have for obligating and expending funds from the various CCDF funding streams. States’ flexibility to obligate and spend funds across years is of particular relevance when analyzing CCDF expenditures over time, and will be addressed in more detail later in this report. However, before analyzing those expenditures, both nationally and by state, the following sections describe the role that two other federal block grants (TANF and SSBG) play as additional funding sources for child care.

Figure 2. Time Limits for Obligation and Expenditure of CCDF by Funding Type



Source: Figure prepared by the Congressional Research Service (CRS).

Additional Funding Sources: TANF and SSBG

As noted earlier, child care for low-income families is also supported by funds from TANF and the SSBG. Although states are not required to use these funds for child care, expenditure data indicate that these block grants are indeed supplementing funds appropriated directly through the CCDF.

TANF. The welfare reform law provides fixed block grants (\$16.5 billion annually through FY2002) for state-designed programs of time-limited and work-conditioned aid to families with children.⁵ Since its implementation, increasing amounts of TANF funding have been used for supporting child care, both through transfers to the CCDF, and by funding child care within the TANF system itself. As mentioned earlier, states are permitted to transfer a combined total of 30% of their annual TANF allotments to the CCDF and the SSBG (with a maximum limit of 10% to the SSBG). Once transferred, the funds must be administered according to the rules

⁵ For detailed information on the TANF block grant's financing structure and the rules that apply to it, see CRS Report 30723, *Welfare Reform: Federal Grants and Financing Rules Under TANF*, by Gene Falk.

of the program that receives them. TANF rules apply to funds that remain within the TANF program.⁶

Over the course of FY1997-FY2000, states transferred a total of \$6 billion from TANF to the CCDF, representing over 9% of their TANF allotments awarded over the 4-year period. The \$2.4 billion of that total that was transferred in FY2000 represents 14% of states' FY2000 TANF allotment. In other words, the amount transferred from TANF to CCDF in FY2000 (\$2.4 billion) exceeds the amount that was appropriated directly in discretionary CCDF funds for FY2002 (\$2.1 billion), or any single fiscal year so far. For a state-by-state table showing cumulative amounts of TANF funds transferred to the CCDF in FY1997-FY2000, and transfers made from FY2000 allotments in FY2000, see **Appendix B** of this report.

Transferring funds to the CCDF is not the only channel through which states may use TANF funding to support child care services for low-income families. TANF funding can be used directly to pay for a variety of services that support work, and child care is a prime example. In FY2000, states reported spending a total of \$2.2 billion of federal TANF and related state funds on child care.⁷ Note that this is *in addition to* the aforementioned TANF funds transferred to the CCDF for expenditure under that program. (An analysis of trends in expenditures from both these funding sources begins on page 13.)

SSBG. The SSBG is a flexible source of federal funds that states may use to support a variety of social services, including child care.⁸ States are entitled to a specified allotment of funds, based on population size, and there is no state match required for receipt of these federal funds. States have complete discretion over how these funds are distributed and to whom. Restrictions are placed only on any funds states opt to transfer from their TANF allotment to the SSBG. States have the authority (through FY2002) to transfer up to 10% of their TANF allotment to the SSBG. Any of these transferred funds must be used only for expenditures to assist children and families whose income is less than 200% of the federal poverty guidelines.

⁶ Most TANF program requirements for a family or the state (i.e., work requirements, time limits, child support assignment) are triggered when TANF money is spent on "assistance," as defined by HHS in regulation. Whether a supportive service such as child care is classified as assistance depends on the situation. For example, child care for a working person is not assistance and would not trigger TANF requirements. However, child care provided to a nonworking person, such as a cash welfare recipient in a training program, would be categorized as "assistance" and would therefore trigger TANF requirements.

⁷ Not included in the \$2.2 billion figure are any expenditures made by the states to meet the TANF MOE requirement that could *also* be counted toward meeting the CCDF MOE requirement. The treatment of state child care expenditures under TANF and CCDF, and the potential of "double counting" certain state expenditures is discussed in greater detail later in this report.

⁸ For more information on the SSBG see CRS Report 94-953, *Social Services Block Grant (Title XX of the Social Security Act)* by Melinda Gish.

Over FY1997-FY2000, states have cumulatively transferred \$3.9 billion (or 6% of their TANF awards for the period) to the SSBG. However, unlike TANF transfers to CCDF, a transfer to the SSBG is not necessarily subsequently spent on child care. Nor are the funds that are directly appropriated for the SSBG required to be used for child care. States use (at their own discretion) only a portion of all SSBG funds to support child care services. The most recent HHS analysis of state-reported SSBG expenditures reveals that in FY1999, 43 states spent a total of \$397 million for child day care services, accounting for 13% of all FY1999 SSBG expenditures.⁹ This represents a greater percentage of all SSBG expenditures than that made in FY1998, when 46 states applied just over 9% (\$279 million) of all SSBG expenditures toward child day care services.

As shown in **Table 2**, funding appropriated directly to the SSBG has been decreasing since 1997, with additional transfers from TANF hovering around \$1 billion. (The amount transferred in FY2001 is not yet available.) Appropriations for FY2002 were \$1.700 billion, a decrease of \$25 million from the prior year. The extent to which FY2000 and FY2001 SSBG funding, in addition to any funds transferred from TANF, has and will be used for child care expenditures is not yet known.

Table 2. SSBG Appropriations and TANF Transfers
(\$ in billions)

Fiscal year	Appropriation	Transferred from TANF
1996	2.381	not applicable
1997	2.500	0.6
1998	2.299	1.2
1999	1.909	1.0
2000	1.775	1.1
2001	1.725	not available
2002	1.700	not available

Source: Table prepared by the Congressional Research Service (CRS).

Analysis of Child Care Expenditures

This report has thus far focused on sources of child care funding, emphasizing the amounts *made available* each year through federal block grants, and the rules that apply to states for obligating and spending those funds. The next sections focus on the data that show what amounts *states have actually spent* from year to year. Following is an analysis of trends in actual child care expenditures using data available

⁹ U.S. Department of Health and Human Services; Administration for Children and Families, Office of Community Services. *Social Services Block Grant Program: Annual Report on Expenditures and Recipients 1999*. Washington. GPO, 2001.

from the CCDF, TANF, and their predecessor programs. (The limited information available regarding the SSBG's role in funding child care expenditures has already been discussed in the preceding section.)

In this report, expenditures for a given fiscal year reflect expenditures made *within* that given fiscal year, regardless of the year in which the funding was provided. However, for FY2000, a breakdown of spending by year of funding source is also provided. (Recall that as described earlier, states are afforded different time frames for spending money from different funding streams.) With multiple funding sources available, expenditure data help in answering the questions of how much states are spending on child care for low-income families, via which programs, and in what time frame.

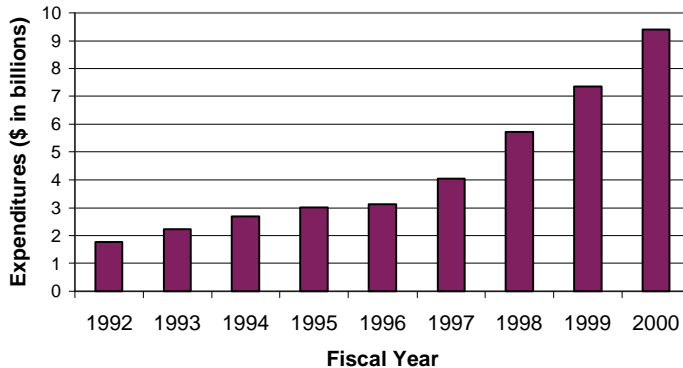
Overview of Child Care Spending Trends

The following sections look at components of child care spending by program (CCDF and TANF), and more specifically, by funding stream within a given specified program. However, before doing so, it is useful to focus on the “big picture.”

What is the “Big Picture”? Child care expenditures made through the CCDF and TANF programs have been growing steadily since the passage of the 1996 welfare law, and build on levels that were already increasing prior to that time. The most recent available data indicate that in FY2000, combined child care expenditures made from these two programs totaled over \$9 billion – more than double the level of expenditures made for child care via these same two programs in FY1997.

Expenditures from the CCDF (made from funds provided either directly through the CCDF or from TANF transfers to the CCDF) represent the largest portion of that child care spending, reaching over \$7 billion in FY2000. Supplementing this were over \$2 billion in additional child care spending within the TANF system. **Figure 3** displays the growth in spending for child care, showing combined expenditures from CCDF and TANF (both federal and state shares) for FY1997-FY2000. For FY1992-FY1996, the figure reflects expenditures made for AFDC-related child care programs (both federal and state shares) and the CCDBG. The chart does not indicate which programs and funding streams comprise what portion of each year's spending. A discussion of those breakdowns follows, starting with an analysis of CCDF expenditures.

Figure 3. “The Big Picture” Child Care Spending Trends FY1992-FY2000 CCDF, TANF, and Predecessor Programs Combined
(\$ in billions— includes federal and state shares)



Source: Figure prepared by the Congressional Research Service (CRS) based on data provided by the Department of Health and Human Services (HHS).

Note: For a breakdown of these expenditures by funding source, see **Appendix C**.

Trends in CCDF Spending

As described earlier, CCDF funding comes in both mandatory and discretionary amounts. One portion of mandatory money is “guaranteed”; another portion of the mandatory money is only available to states if they first meet an MOE requirement (with state funds) and then provide additional state matching funds. No match applies to the discretionary fund. Therefore, expenditure data for CCDF can be broken down into those same categories: mandatory and discretionary, distinguishing between federal and state contributions.

Table 3 shows the breakdown of CCDF (and predecessor program) expenditures for FY1992-FY2000, by funding source. For FY1992-FY1996, the amounts shown as federal CCDF mandatory “guaranteed” spending actually reflect federal expenditures for AFDC-related child care spending. Why? Because the “guaranteed” funding amounts for the CCDF are based on AFDC child care spending during this period. Likewise, the MOE requirements established for the CCDF are based on the state spending from the AFDC era, and are therefore included in the MOE column. The CCDF federal matching money essentially represents “new” mandatory funding, which states can only access by spending the required share of their own state funds.

Expenditures made from federal funds are shown in the first three columns of expenditures, and those made from state funds are in the fourth and fifth columns. The final column shows total expenditures made from the CCDF and its predecessor programs in each year. The trend in total CCDF spending mirrors that of “the big picture.” That is, total CCDF expenditures have grown each year.

**Table 3. Total CCDF Expenditures by Funding Source
FY1992-FY2000**
(\$ in millions)

Fiscal year	Federal CCDF funds			State CCDF funds		Total CCDF spending
	Discretionary funds ^a	Mandatory “guaranteed” funds ^b	Matching federal share	MOE	Matching state share	
1992	332	801	—	616	—	1,749
1993	675	890	—	662	—	2,227
1994	835	1,055	—	798	—	2,688
1995	832	1,235	—	950	—	3,017
1996	850	1,280	—	994	—	3,125
1997	1,009	986	552	945	416	3,909
1998	1,486	1,169	867	1,031	715	5,268
1999	2,583	1,165	882	1,018	636	6,283
2000	3,064	1,127	1,095	1,049	887	7,222

Source: Table prepared by the Congressional Research Service (CRS) based on data provided by the Department of Health and Human Services (HHS).

Notes: Child care expenditures in the territories are excluded. Totals may not add due to rounding.

^a Discretionary fund expenditures include spending from TANF transfers to CCDF.

^b Expenditures made in FY1992-FY1996 from the federal share of AFDC-related child care matching funds are included in the same column as the mandatory CCDF expenditures because these expenditures were the basis for determining mandatory “guaranteed” funding levels for the CCDF. Similarly, the FY1992-FY1996 expenditures made from the state share of AFDC-related child care matching funds appear in the same column showing CCDF MOE expenditures (for FY1997-FY2000) because they formed the basis of determining the MOE requirement level.

CCDF Spending in FY2000. As **Table 3** shows, in FY2000, a total of \$7.2 billion was spent from the CCDF. Over \$3 billion of the \$7.2 billion total reflect expenditures made from federal CCDF discretionary funds. Approximately \$2.2 billion in CCDF expenditures were made from “guaranteed” mandatory funding and the federal share of matching funds. Why do the federal expenditures made from the CCDF in FY2000 (discretionary + mandatory + federal share of matching = \$5.3 billion) significantly exceed the FY2000 CCDF funding level (see **Table 1**) of \$3.5 billion? First, the expenditure numbers shown in **Table 3** reflect spending by states *in FY2000*, and, as explained in the discussion of time limits for obligation and expenditure of funds, states may make expenditures from not just the current year’s funding, but also from funds provided in earlier years.¹⁰ Moreover, when states

¹⁰ For those interested in how states have responded to the obligation and expenditure time (continued...)

transfer funds from TANF to the CCDF, those transfers ultimately show up as CCDF expenditures (included in the discretionary column).

Table 4 provides a breakdown of CCDF expenditures made in FY2000, showing the source of those expenditures both by type (i.e., discretionary, mandatory, matching) and the year the funding was actually appropriated. For example, the first column of expenditures shows that a cumulative total of almost \$3.1 billion in expenditures from CCDF discretionary funds were made in FY2000. Of that amount, over \$1.2 billion can be attributed to discretionary funding appropriated in FY1998 and FY1999, and \$1.8 billion was expended from funds appropriated in FY2000. States were able to spend more in discretionary funds than were actually appropriated in FY2000, in part because expenditures from transferred TANF funds are included as discretionary.

Table 4. CCDF Expenditures Made in FY2000 by Funding Type and Year of Funding Source
(\$ in millions)

Year of funding source	FY2000 federal funding expenditures			FY2000 state funding expenditures		
	Discretionary ^a	Mandatory “guaranteed”	Matching	MOE	Matching	Total
FY1998	244	24	NA ^c	NA ^b	NA ^c	273
FY1999	1,018	120	149	NA ^b	121	1,392
FY2000	1,801	983	946	1,049	765	5,574
FY98-00 cumulative	3,064	1,127	1,095	1,049	887	7,222

Source: Table prepared by the Congressional Research Service (CRS) based on data provided by the Department of Health and Human Services (HHS).

^a Included in the discretionary totals are any expenditures made from funds transferred from TANF to CCDF in the given year.

¹⁰ (...continued)

frames, the end of FY2000 marked the time limit for states to have spent all available CCDF discretionary funds originally provided in FY1998. Expenditure data indicate that nine states failed to obligate a total of \$296,000 by the 2-year obligation deadline. An additional \$305,000 in discretionary funds that were obligated (by four states) were not actually expended by the time limit (i.e., end of FY2000). In other words, of all FY1998 discretionary funds made available (and TANF funds transferred in FY1998), states had obligated and expended all but 0.03% by the end of FY2000. Of FY1998 matching funds, only three states failed to obligate all available funds, and all obligated funds (by all states) were spent by the deadline. Similarly, all but 0.2% of FY1998 mandatory funding, which has *no* deadline for expenditure by the states, had been spent by the end of FY2000.

- ^b States must make expenditures for meeting the MOE requirement within the given year, and therefore FY1998 and FY1999 MOE expenditures were made in each of those respective years, and applied to the MOE requirement for those years.
- ^c Federal and state shares of CCDF matching funds must be expended by states by the end of the fiscal year following the year of appropriation. Therefore, FY1998 matching funds had to have been expended by the end of FY1999, and could not be a source of FY2000 expenditures.

TANF Child Care Spending

TANF contributes to the big picture of child care spending in two ways: expenditures made from funds *transferred* to CCDF (discussed above) and expenditures made directly *within* the TANF system. Of the expenditures made directly within TANF, some are made from federal funds, while others are made from state funds associated with the TANF maintenance-of-effort (MOE) requirement. TANF, like the CCDF, has its own MOE requirement, which states must meet if they are to be eligible for their full TANF allotment. The TANF MOE requires states to expend on TANF-eligible families an amount equal to their “historic” spending level (generally in FY1994-1995) on TANF predecessor programs: AFDC, Emergency Assistance, Job Opportunities and Basic Skills, *and AFDC-related child care*. Why is this important to the calculation of TANF’s contribution to child care spending?

Role of the TANF MOE in Calculating Child Care Spending. Within the rules for applying state child care expenditures toward TANF and CCDF MOE levels, states may “double count” many expenditures toward *both* programs’ requirements. In other words, as long as a child care expenditure is for a TANF-eligible family, it may be applied toward *both* the TANF’s MOE level *and* the CCDF MOE. States are not required to explain in either their TANF or CCDF expenditure report whether any, all, or none of their MOE spending overlaps. As a result, if MOE expenditures from the CCDF and TANF expenditure forms were to be added together, the resulting total might overstate the level of MOE child care spending actually made by the states. Therefore, for this analysis of TANF child care expenditures, only TANF MOE spending that exceeds the level of CCDF MOE expenditures made by a state will be counted (recognizing that this method results in the most conservative estimate). A step-by-step look at the process of reaching “unduplicated” TANF MOE expenditure amounts is provided later in the report, where TANF expenditures are analyzed on a state-by-state basis.

Trends in TANF Child Care Spending. TANF expenditure data reveal that states as a group are spending increasing amounts of TANF funds on child care services. **Table 5** shows that the combined total of federal TANF funding and the “excess” (or “unduplicated”) child care expenditures made from state funds has grown from over \$133 million in FY1997 to almost \$2.2 billion in FY2000.

Table 5. TANF Child Care Spending FY1997-FY2000
(\$ in millions)

Expenditure Type	FY 1997	FY1998	FY1999	FY2000
TANF Federal funds	13.5	259.3	604.4	1,411.2
TANF state funds (“excess” child care MOE)	119.9	195.3	464.6	773.9
Total	133.4	454.6	1,069	2,185.2

Source: Table prepared by the Congressional Research Service (CRS) based on data provided by the Department of Health and Human Services (HHS).

Note: Child care expenditures in the territories are excluded.

State-by-State CCDF and TANF Spending

CCDF Trends. Earlier tables provide the spending picture from a national perspective, but do not reveal trends in individual state spending. **Table 6** shows total CCDF (and predecessor program) spending made by each state over the same FY1992-FY2000 period shown for the nation as a whole in **Table 3**. The final column of **Table 6** reveals the percentage change that occurred in total CCDF expenditures made by each state between FY1996 (the last year before the unified CCDF was implemented) and FY2000.

TANF Trends. As expressed in the discussion of funding sources, states are not required to spend any given amount of their TANF funds on child care. States have the flexibility to spend their TANF funding on a variety of services, in addition to cash assistance, and therefore it is useful to look not only at national trends regarding the use of TANF funding for child care, but also at state-by-state trends. **Table 7** provides the same breakdown of TANF child care expenditures by year and type (federal or state) as that shown in **Table 5**, but on a state-by-state basis. **Table 7** shows that all but 13 states have reported spending some level of TANF funds for child care over the 4 year period.

Table 6. Total CCDF Expenditures by State: FY1992-FY2000

(\$ in millions)

State	1992	1993	1994	1995	1996	1997	1998	1999	2000	Percentage change: FY1996- FY2000
Alabama	31.9	39.8	40.8	47.0	48.6	52.4	60.7	74.4	103.6	113.0
Alaska	6.6	7.6	7.5	10.0	7.2	13.1	17.3	31.7	27.0	273.2
Arizona	32.6	35.8	41.0	47.1	53.9	61.2	81.9	107.9	105.6	95.9
Arkansas	8.1	14.1	13.7	13.8	17.0	23.2	16.5	34.2	44.1	159.9
California	206.5	152.3	335.2	285.1	330.8	368.8	586.1	796.8	956.6	189.2
Colorado	16.6	26.1	33.2	32.7	27.2	32.9	51.2	66.7	53.0	95.1
Connecticut	23.1	27.5	30.6	49.5	59.0	58.7	72.2	143.2	158.5	168.5
Delaware	6.7	8.7	10.3	12.3	12.2	17.5	24.4	24.7	34.1	180.6
Dist. of Columbia	8.5	9.1	9.4	10.9	10.6	13.6	20.2	27.6	45.1	327.3
Florida	98.7	104.0	109.0	129.1	147.4	157.3	232.7	350.0	327.5	122.2
Georgia	58.2	73.6	82.8	88.2	105.2	132.4	162.1	145.5	177.9	69.1
Hawaii	2.1	6.1	9.3	13.1	12.8	20.5	30.6	34.6	25.2	97.2
Idaho	4.1	7.2	12.4	6.1	6.0	9.1	16.1	24.6	25.7	330.7
Illinois	51.6	90.4	105.4	164.7	191.9	236.0	300.8	354.8	387.8	102.1
Indiana	6.3	27.9	50.3	63.2	66.9	78.3	138.6	92.2	146.7	119.5
Iowa	17.5	17.7	16.6	23.0	21.5	20.1	49.3	47.2	86.2	300.5
Kansas	27.6	21.6	27.8	25.2	28.6	35.1	45.7	49.9	61.1	113.3
Kentucky	22.9	42.7	39.8	41.7	43.6	51.6	60.6	62.8	75.2	72.5
Louisiana	13.0	31.7	33.8	39.6	40.5	47.4	62.3	120.1	134.0	230.6
Maine	3.1	9.3	8.0	5.7	12.3	15.4	19.0	24.7	23.4	90.2
Maryland	44.4	52.7	61.2	60.4	58.6	58.4	104.8	101.3	147.9	152.3
Massachusetts	69.2	80.6	91.8	93.6	116.8	243.1	216.5	244.1	227.9	95.2
Michigan	48.9	75.3	66.0	86.8	65.1	122.0	295.7	178.9	94.4	45.0
Minnesota	35.4	44.8	51.2	56.8	62.4	69.6	68.9	91.0	127.0	103.4
Mississippi	7.7	5.6	36.4	11.4	17.8	48.4	32.5	43.3	65.3	266.8
Missouri	37.5	48.2	52.4	59.4	62.8	79.9	89.3	114.6	133.2	112.0
Montana	4.7	5.7	7.3	7.1	8.4	8.3	14.1	18.9	20.2	140.4
Nebraska	19.2	17.1	28.9	21.6	19.3	27.3	40.9	51.6	60.9	215.7

<http://wikileaks.org/wiki/CRS-RL31274>

CRS-19

State	1992	1993	1994	1995	1996	1997	1998	1999	2000	Percentage change: FY1996- FY2000
Nevada	4.9	8.1	7.3	9.4	8.7	13.0	18.4	20.3	22.1	153.9
New Hampshire	9.3	9.8	8.8	14.1	11.1	16.2	20.5	18.9	24.4	118.9
New Jersey	61.8	55.7	77.3	111.2	114.3	108.7	134.0	86.3	218.0	90.7
New Mexico	9.1	18.3	23.1	14.3	21.5	28.8	39.5	46.6	52.8	145.6
New York	137.3	193.7	188.5	261.5	201.4	236.2	393.1	502.2	608.1	201.9
North Carolina	43.5	93.7	141.1	136.3	100.1	169.5	224.5	274.1	250.0	149.7
North Dakota	4.3	6.3	5.8	5.3	4.1	7.5	5.4	10.1	9.1	123.4
Ohio	83.8	119.7	120.6	143.4	144.8	191.3	226.8	219.2	317.0	119.0
Oklahoma	41.7	42.8	46.3	50.5	52.8	57.6	71.5	110.5	92.6	75.4
Oregon	21.7	34.0	39.9	41.6	51.7	53.3	56.3	60.2	64.0	23.8
Pennsylvania	79.3	95.4	112.2	134.1	139.8	192.8	170.3	281.3	297.3	112.7
Rhode Island	9.7	11.3	13.3	14.6	15.3	18.7	25.8	33.8	52.7	245.3
South Carolina	11.5	19.7	18.8	31.5	38.2	28.5	67.0	59.5	59.7	56.3
South Dakota	3.0	4.6	5.6	6.0	2.8	6.3	10.7	11.7	13.2	366.1
Tennessee	26.0	45.1	67.8	77.5	82.8	107.9	136.7	155.6	170.6	106.0
Texas	125.0	172.5	167.8	192.0	198.6	218.0	274.7	356.0	421.4	112.2
Utah	17.5	18.0	30.9	25.8	29.7	28.4	39.6	46.2	44.3	49.1
Vermont	5.5	6.5	9.0	10.6	10.6	15.5	17.5	19.1	19.8	87.7
Virginia	37.5	55.5	41.9	56.5	55.8	85.6	79.2	136.3	134.0	140.0
Washington	57.1	66.1	81.2	95.1	100.8	116.6	172.4	216.3	283.9	181.7
West Virginia	7.7	15.2	18.5	17.7	15.9	24.1	41.1	17.2	44.2	178.6
Wisconsin	35.1	46.5	44.2	56.9	63.3	76.9	123.7	137.3	139.0	119.7
Wyoming	4.1	5.3	5.6	6.2	6.0	5.7	8.1	7.6	7.8	29.0
Total	1,749.0	2,227.0	2,687.7	3,017.1	3,124.6	3,908.8	5,268.0	6,283.5	7,221.2	131.1

http://wikileaks.org/wiki/CRS-RL31274

Source: Table prepared by the Congressional Research Service (CRS) based on data provided by the Health and Human Service (HHS).

Note: Included in these amounts are any expenditures made from funds transferred from TANF.

Table 7. TANF Child Care Expenditures

(\$ in thousands)

State	FY1997			FY1998			FY1999			FY2000		
	TANF federal	TANF state	Total TANF	TANF federal	TANF state	Total TANF	TANF federal	TANF state	Total TANF	TANF federal	TANF state	Total TANF
Alabama	0	0	0	7,199	0	7,199	7,547	0	7,547	1,924	0	1,924
Alaska	0	0	0	0	0	0	2,125	0	2,125	7,596	0	7,596
Arizona	0	0	0	0	0	0	2,295	0	2,295	27,285	0	27,285
Arkansas	0	0	0	0	2,665	2,665	0	3,242	3,242	5,468	3,391	8,859
California	0	0	0	71,530	57,015	128,545	171,332	154,654	325,987	504,977	185,677	690,654
Colorado	0	407	407	0	1,400	1,400	0	1,775	1,775	1,251	0	1,251
Connecticut	0	43,322	43,322	0	67,412	67,412	35,764	0	35,764	21,158	0	21,158
Delaware	0	385	385	0	0	0	0	0	0	0	4	4
Dist. of Columbia	0	5,279	5,279	5,000	7,814	12,814	0	11,408	11,408	12,436	11,417	23,853
Florida	0	0	0	71,139	976	72,115	0	946	946	132,190	428	132,618
Georgia	0	17,836	17,836	7,000	0	7,000	0	13,046	13,046	1,000	0	1,000
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	2,662	2,662
Illinois	0	0	0	0	0	0	35,208	24,906	60,114	23,034	182,365	205,399
Indiana	0	0	0	0	0	0	0	0	0	111,106	2	111,108
Iowa	0	2,861	2,861	0	0	0	0	1,001	1,001	10	0	10
Kansas	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	10,363	0	10,363	10,958	0	10,958
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0
Maine	0	0	0	0	3,019	3,019	0	5,347	5,347	3,443	2,458	5,901
Maryland	43	0	43	9	138	147	2,475	302	2,777	28,906	1	28,907
Massachusetts	0	0	0	0	1,679	1,679	37,507	4,467	41,973	104,733	18,802	123,535
Michigan	11,537	49,769	61,306	81,753	26,580	108,333	211,176	72,916	284,092	151,240	215,229	366,469
Minnesota	0	0	0	0	0	0	0	30,691	30,691	0	42,255	42,255
Mississippi	6	0	6	6	0	6	0	0	0	6,101	0	6,101
Missouri	0	0	0	0	18,779	18,779	0	26,584	26,584	0	41,853	41,853
Montana	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	0	0	0	0	0	0	567	0	567
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	0
New Jersey	0	0	0	0	0	0	21,545	0	21,545	0	0	0
New Mexico	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	0	0	0	0	0	80,000	80,000	0	26,349	26,349
North Carolina	0	0	0	157	0	157	1,089	0	1,089	15,408	27,469	42,877
North Dakota	0	0	0	0	0	0	0	0	0	979	0	979
Ohio	0	0	0	0	6,447	6,447	19,361	4,032	23,393	79,008	0	79,008

http://wikileaks.org/wiki/CRS-RL31274

State	FY1997			FY1998			FY1999			FY2000		
	TANF federal	TANF state	Total TANF	TANF federal	TANF state	Total TANF	TANF federal	TANF state	Total TANF	TANF federal	TANF state	Total TANF
Oklahoma	0	0	0	3,600	0	3,600	10,462	6,300	16,762	21,178	0	21,178
Oregon	0	0	0	5,631	0	5,631	5,727	2,421	8,148	15,797	3,941	19,737
Pennsylvania	0	0	0	0	0	0	0	0	0	13,933	0	13,933
Rhode Island	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	4,674	0	4,674	7,625	456	8,082
Texas	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	4,451	0	4,451	0	0	0	1,242	128	1,369
Vermont	483	0	483	460	356	816	988	744	1,732	2,695	1,499	4,195
Virginia	220	0	220	1,391	318	1,710	569	0	569	5	0	5
Washington	0	0	0	0	0	0	0	0	0	760	0	760
West Virginia	0	0	0	0	0	0	0	0	0	6,720	0	6,720
Wisconsin	1,194	7	1,201	0	0	0	24,193	19,832	44,026	90,513	7,556	98,069
Wyoming	0	0	0	0	710	710	0	0	0	0	0	0
Totals	13,484	119,867	133,351	259,327	195,309	454,636	604,400	464,614	1,069,014	1,411,248	773,943	2,185,191

Source: Table prepared by the Congressional Research Service (CRS) based on data provided by the Department of Health and Human Services (HHS).

Note: These amounts do NOT include expenditures made from funds transferred from TANF to the Child Care and Development Fund (CCDF).

A Closer Look at FY2000. **Table 8** provides a detailed breakdown of CCDF and TANF child care expenditures made by each state, showing spending amounts by funding source. The final column of the table reflects the calculation of “excess” child care TANF MOE expenditures, which are explained in more detail below.

Calculating “Excess” TANF MOE Child Care Expenditures. **Table 9** includes the expenditure data used to make the “excess” TANF MOE expenditure calculations for FY2000. The “excess” expenditure amount is defined here as any amount that remains after the total reported CCDF MOE expenditures are subtracted from the TANF child care MOE reported amount. If the subtraction yields a negative amount, or zero, then there is no excess amount to report as a state-funded TANF expenditure. If the reported TANF MOE child care spending amount is greater than the amount reported toward the CCDF MOE, then the positive difference is counted in **Table 9** as the excess amount.

For example, as shown in the first column of numbers in **Table 9**, Alabama was required to make \$6.896 million in child care expenditures from state funds to meet its annual CCDF MOE requirement. According to Alabama’s reporting form for FY2000 CCDF expenditures, they spent precisely that amount in FY2000. The third column shows the level of child care expenditures reported on the TANF expenditure form toward the TANF MOE: \$4.409 million. Because the TANF MOE expenditures do not exceed the CCDF MOE expenditures, and all \$4.409 million could already potentially be accounted for as part of the \$6.896 million reported as CCDF MOE spending, no expenditures are counted toward state TANF child care spending. (In other words \$4.4 million minus \$6.8 million yields a *negative* number.)

In other cases (Arkansas, for example), **Table 9** shows that the reported TANF MOE child care expenditures (\$5.278 billion) exceed those reported toward the CCDF MOE (\$1.887 billion). Therefore, the excess (rounded to \$3.4 billion in this case) is the amount that appears in **Table 8** under TANF child care MOE.

Table 9 also reveals the extent to which states reported expenditures above the required MOE level. According to FY2000 expenditure reports, 12 states reported CCDF expenditures above the level required for meeting the CCDF MOE.

Table 8. FY2000 CCDF Expenditures by Fund

State	CCDF federal funds			CCDF state funds		TANF funds	
	Discretionary	Mandatory "guaranteed"	Matching	MOE	Matching	Federal funds	"Excess" child care MOE funds
Alabama	63.3	16.0	12.1	6.9	5.3	1.9	0.0
Alaska	14.3	3.5	2.9	3.5	2.7	7.6	0.0
Arizona	54.4	19.8	13.2	10.0	8.1	27.3	0.0
Arkansas	22.1	3.9	11.8	1.9	4.4	5.5	3.4
California	501.0	78.0	151.6	85.6	140.4	505.0	185.7
Colorado	9.1	14.3	9.5	9.0	11.2	1.3	0.0
Connecticut	8.3	18.7	13.2	105.1	13.2	21.2	0.0
Delaware	5.8	5.5	2.9	17.0	2.9	0.0	0.0
District of Columbia	32.2	4.6	1.8	4.6	2.0	12.4	11.4
Florida	147.5	43.0	58.6	33.4	45.0	132.2	0.4
Georgia	54.4	34.0	33.4	33.7	22.4	1.0	0.0
Hawaii	5.5	5.0	5.0	5.0	4.8	0.0	0.0
Idaho	13.7	2.9	5.5	1.2	2.4	0.0	2.7
Illinois	168.4	56.9	52.8	56.9	52.8	23.0	182.4
Indiana	77.6	14.0	24.6	15.4	15.2	111.1	0.0
Iowa	45.5	9.7	15.1	5.7	10.2	0.0	0.0
Kansas	26.0	9.8	11.1	6.7	7.4	0.0	0.0
Kentucky	28.2	17.6	15.7	7.3	6.5	11.0	0.0
Louisiana	98.7	3.5	18.7	5.2	7.9	0.0	0.0
Maine	11.1	3.0	4.6	4.0	0.8	3.4	2.5
Maryland	50.4	23.3	25.5	23.3	25.5	28.9	0.0
Massachusetts	102.8	35.0	22.5	45.0	22.5	104.7	18.8
Michigan	37.9	32.1	0.0	24.4	0.0	151.2	215.2
Minnesota	58.5	12.3	17.6	19.7	18.9	0.0	42.3
Mississippi	40.0	6.1	13.4	1.7	4.1	6.1	0.0
Missouri	54.6	24.7	22.6	16.5	14.8	0.0	41.9
Montana	11.6	3.2	2.9	1.3	1.1	0.0	0.0
Nebraska	14.6	10.6	7.1	24.1	4.5	0.0	0.0
Nevada	5.7	3.3	5.3	2.6	5.3	0.6	0.0

http://wikileaks.org/wiki/CRS-23

State	CCDF federal funds			CCDF state funds		TANF funds	
	Discretionary	Mandatory “guaranteed”	Matching	MOE	Matching	Federal funds	“Excess” child care MOE funds
New Hampshire	5.2	4.6	4.8	5.0	4.8	0.0	0.0
New Jersey	68.9	25.2	48.2	26.4	49.3	0.0	0.0
New Mexico	30.5	8.3	8.1	2.9	3.0	0.0	0.0
New York	252.1	113.8	52.4	102.0	87.9	0.0	26.3
North Carolina	91.7	69.4	31.9	37.9	19.1	15.4	27.5
North Dakota	1.7	2.8	2.5	1.0	1.1	1.0	0.0
Ohio	116.4	70.1	45.4	53.1	32.0	79.0	0.0
Oklahoma	22.9	24.9	24.3	10.6	9.9	21.2	0.0
Oregon	10.7	19.5	13.3	11.7	8.8	15.8	3.9
Pennsylvania	86.4	69.9	43.0	46.6	51.5	13.9	0.0
Rhode Island	15.5	6.6	3.9	23.4	3.3	0.0	0.0
South Carolina	22.5	9.9	16.2	4.1	7.0	0.0	0.0
South Dakota	6.1	1.7	3.1	0.8	1.4	0.0	0.0
Tennessee	79.4	37.7	21.7	19.0	12.7	7.6	0.5
Texas	191.8	27.0	103.6	34.7	64.2	0.0	0.0
Utah	11.6	12.6	11.2	4.5	4.5	1.2	0.1
Vermont	9.7	3.9	2.2	2.7	1.3	2.7	1.5
Virginia	45.6	21.3	23.6	21.3	22.1	0.0	0.0
Washington	152.7	41.9	23.8	43.4	22.1	0.8	0.0
West Virginia	15.5	15.4	7.7	3.0	2.6	6.7	0.0
Wisconsin	62.1	24.5	21.1	16.4	14.8	90.5	7.6
Wyoming	1.9	1.5	1.8	1.6	1.0	0.0	0.0
Totals	3,064.2	1,126.9	1,094.8	1,048.6	886.7	1,411.2	773.9

<http://wikileaks.org/wiki/CRS-RL31274>

Source: Table prepared by the Congressional Research Service (CRS) based on data provided by Health and Human Services (HHS).

Table 9. Computation of "Excess" TANF MOE Child Care Expenditures in FY2000

(\$ in thousands)

State	CCDF MOE requirement	CCDF expenditures reported toward CCDF MOE requirement	TANF child care expenditures reported toward the TANF MOE requirement	Excess TANF MOE child care expenditures (more than reported for CCDF MOE requirement)
Alabama	6,896	6,896	4,409	—
Alaska	3,545	3,545	2,996	—
Arizona	10,033	10,033	10,033	—
Arkansas	1,887	1,887	5,278	3,391
California	85,593	85,593	271,270	185,677
Colorado	8,986	8,986	1,271	—
Connecticut	18,738	105,064	97,866	—
Delaware	5,179	16,957	16,961	4
District of Columbia	4,567	4,567	15,984	11,417
Florida	33,416	33,416	33,844	428
Georgia	22,183	33,698	33,698	—
Hawaii	4,972	4,972	—	—
Idaho	1,176	1,176	3,838	2,662
Illinois	56,874	56,874	239,239	182,365
Indiana	15,357	15,357	15,359	2
Iowa	5,079	5,712	5,712	—
Kansas	6,673	6,732	6,674	—
Kentucky	7,275	7,275	—	—
Louisiana	5,219	5,220	5,219	—
Maine	1,750	4,013	6,471	2,458
Maryland	23,301	23,301	23,302	1
Massachusetts	44,973	44,973	63,775	18,802
Michigan	24,411	24,411	239,640	215,229
Minnesota	19,690	19,690	61,945	42,255
Mississippi	1,715	1,715	1,715	—
Missouri	16,549	16,549	58,401	41,853
Montana	1,314	1,314	1,314	—
Nebraska	6,499	24,073	6,499	—
Nevada	2,580	2,580	2,303	—
New Hampshire	4,582	4,973	4,582	—
New Jersey	26,374	26,374	—	—
New Mexico	2,895	2,895	2,895	—
New York	101,984	101,984	128,333	26,349
North Carolina	37,927	37,927	65,397	27,469
North Dakota	1,017	1,017	1,017	—
Ohio	45,404	53,067	45,404	—
Oklahoma	10,630	10,630	10,630	—

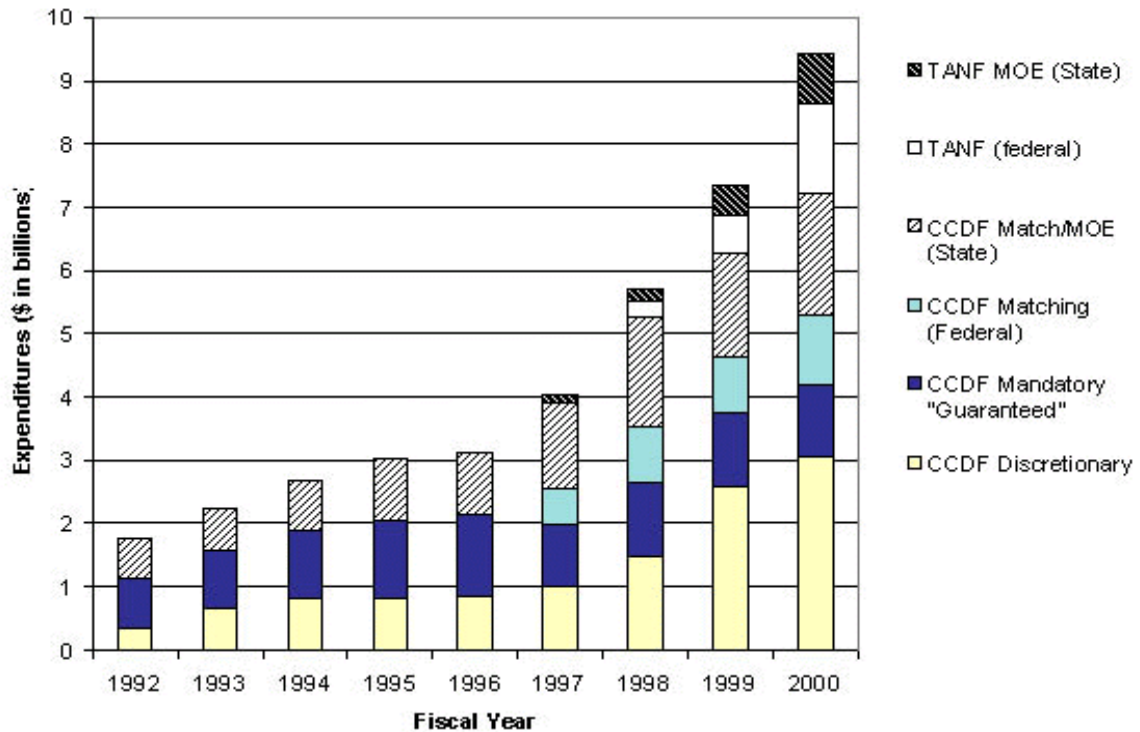
State	CCDF MOE requirement	CCDF expenditures reported toward CCDF MOE requirement	TANF child care expenditures reported toward the TANF MOE requirement	Excess TANF MOE child care expenditures (more than reported for CCDF MOE requirement)
Oregon	11,715	11,715	15,656	3,941
Pennsylvania	46,629	46,629	46,629	—
Rhode Island	5,321	23,413	23,413	—
South Carolina	4,085	4,085	4,085	—
South Dakota	803	803	803	—
Tennessee	18,976	18,976	19,432	456
Texas	34,681	34,681	34,681	—
Utah	4,475	4,475	4,603	128
Vermont	2,666	2,666	4,166	1,499
Virginia	21,329	21,329	21,329	—
Washington	38,708	43,400	34,016	—
West Virginia	2,971	2,971	2,971	—
Wisconsin	16,449	16,449	24,005	7,556
Wyoming	1,554	1,554	1,554	—
Totals	887,607	1,048,593	1,730,620	773,943

Source: Table prepared by the Congressional Research Service (CRS) based on data provided by the Department of Health and Human Services (HHS).

Filling In the Big Picture

Figure 4 “fills in” the big picture with a more detailed breakdown of the overall spending trends presented in **Figure 3**. The supporting table of data can be found in **Appendix C**.

**Figure 4. Child Care Spending Trends FY1992-2000
by type of funding source
(dollars in billions)**



Source: Figure prepared by the Congressional Research Service (CRS) based on data provided by the Department of Health and Human Services (HHS).

Funding Issues in Reauthorization

Congress is expected to address child care financing issues as part of reauthorizing child care and welfare legislation. The issue of how much funding to make available for child care will likely be at the forefront, but is complicated by the fact that child care is supported by multiple funding sources. As policymakers consider funding levels for child care, the following questions might be asked with respect to each potential funding source:

- Are funds from this source specifically dedicated for child care?
- How are funds from this source allocated to states? (What is the distribution formula?)
- Are states required to match funds from this source with their own state funds?

- Can funds from this source be transferred to other programs?
- How long do states have to obligate and spend funds from this source?

The answers to these questions highlight the varying implications of providing child care funding through different sources. For instance, funds provided through CCDF are the only funds dedicated solely for child care, but nevertheless, expenditure data (through FY2000) reveal that TANF has also played a significant role in funding child care, both through transfers to CCDF and directly within TANF. Therefore, should CCDF funding levels be set with the presumption that states will continue to use the same amount of TANF funds for child care? A lesser or greater amount? Likewise, what are the implications of the CCDF funding decision on setting the overall TANF funding level? Will an economic downturn prompt states to make different decisions as to how they allocate their TANF funds? Greater child care expenditures have been fueled by reduced cash welfare caseloads through FY2000; will these spending trends continue if cash welfare caseloads level off or rise? To what extent are CCDF funds used to serve welfare (TANF) families?

Even with respect to the funds targeted specifically for child care (i.e., the CCDF) the implications for states differ depending on whether funds are provided via the mandatory or discretionary stream. As described earlier, the mandatory and discretionary portions of the CCDF are currently allocated among states according to different formulas, based on different factors. Consequently, the same amount of funding will translate into different allocation amounts for states, depending on the funding stream from which the money is allocated. Furthermore, mandatory funds bring with them state matching requirements (for the non-“guaranteed” portion). Of course, whether states actually spend state funds in order to access the available federal mandatory funds depends on each state’s individual decision to participate in the matching program. For example, Michigan has not always opted to access its full matching grant, but has instead applied state child care expenditures toward meeting its TANF MOE requirement.

Discretionary and mandatory CCDF funds also carry with them different time limits for states to obligate and spend the money. Policymakers will be faced with deciding: What portion of CCDF funding should be delivered via discretionary money versus mandatory money? Should the formulas for allocating those funds remain as they are? Should states’ historical spending levels from the early 1990s continue to serve as the basis for the fixed amount of “guaranteed” mandatory funding? Should matching requirements remain the same? How long should states have for obligating and spending the funds?

Decisions regarding states’ authority to transfer funds between block grants (i.e., TANF funds to CCDF and SSBG) are also expected as part of the reauthorization process. In addition to the allowable level of transfer, some critics of the status quo argue that states should be allowed to transfer TANF funds remaining from prior years, rather than only current year funds. Of course, just as an economic downturn could prove to affect states’ decisions to use TANF funds directly for child care, so too could it affect their decisions to transfer funds.

Appendix A. FY2002 CCDF Allotments, by Funding Type
(\$ in millions)

State	Discretionary	Mandatory “guaranteed”	Matching (federal share)	Totals
Alabama	42.9	16.4	22.8	82.2
Alaska	4.1	3.5	3.8	11.5
Arizona	43.5	19.8	28.4	91.7
Arkansas	25.6	5.3	13.7	44.6
California	243.6	85.6	192.5	521.7
Colorado	23.2	10.2	22.5	55.9
Connecticut	15.5	18.7	17.4	51.7
Delaware	4.4	5.2	4.0	13.6
District of Columbia	3.6	4.6	2.4	10.6
Florida	105.5	43.0	74.3	222.8
Georgia	69.9	36.5	44.7	151.2
Hawaii	8.0	5.0	6.1	19.1
Idaho	11.6	2.9	7.4	21.8
Illinois	78.6	56.9	66.7	202.2
Indiana	39.6	26.2	32.2	98.0
Iowa	18.9	8.5	14.7	42.1
Kansas	19.0	9.8	14.4	43.2
Kentucky	37.3	16.7	20.3	74.3
Louisiana	51.7	13.9	24.3	89.9
Maine	8.0	3.0	5.9	16.9
Maryland	27.9	23.3	27.9	79.0
Massachusetts	28.6	45.0	30.9	104.5
Michigan	60.7	32.1	53.1	145.8
Minnesota	27.0	23.4	25.8	76.2
Mississippi	34.9	6.3	15.6	56.8
Missouri	38.9	24.7	28.8	92.3
Montana	6.4	3.2	4.5	14.1
Nebraska	11.7	10.6	9.0	31.3
Nevada	10.9	2.6	10.8	24.2
New Hampshire	5.3	4.6	6.3	16.2
New Jersey	39.7	26.4	43.4	109.5
New Mexico	19.3	8.3	10.1	37.7
New York	117.1	102.0	96.4	315.6
North Carolina	59.8	69.6	40.8	170.3
North Dakota	4.6	2.5	3.1	10.3
Ohio	69.3	70.1	58.6	198.1
Oklahoma	32.5	24.9	17.9	75.3
Oregon	21.7	19.4	17.1	58.2
Pennsylvania	65.7	55.3	58.9	180.0
Puerto Rico	47.4	0.0	0.0	47.4
Rhode Island	5.6	6.6	5.1	17.3

State	Discretionary	Mandatory “guaranteed”	Matching (federal share)	Totals
South Carolina	38.4	9.9	20.6	68.8
South Dakota	6.2	1.7	4.0	11.9
Tennessee	44.2	37.7	28.7	110.6
Texas	202.6	59.8	120.6	383.0
Utah	21.4	12.6	14.7	48.7
Vermont	3.5	3.9	2.9	10.3
Virginia	40.9	21.3	35.6	97.8
Washington	35.0	41.9	30.7	107.6
West Virginia	15.1	8.7	8.0	31.8
Wisconsin	31.0	24.5	27.3	82.8
Wyoming	3.3	2.8	2.5	8.6
Territories and Tribes				
America Samoa	2.7	0.0	0.0	2.7
Guam	4.0	0.0	0.0	4.0
N. Mariana Islands	1.6	0.0	0.0	1.6
Virgin Islands	2.2	0.0	0.0	2.2
Tribes	42.0	54.3	0.0	96.3
Total	2,083.7	1,231.9	1,478.3	4,793.9

Source: Table prepared by the Congressional Research Service (CRS).

**Appendix B. Transfers from TANF to CCDF, cumulatively
(FY1997-FY2000) and for FY2000, by state (with percentages of
cumulative grants and FY2000 TANF grant)**

State	Total cumulative TANF grants awarded FY1997- FY2000	Cumulative TANF grants (FY1997- FY2000) transferred to CCDF	Percent of cumulative TANF grants (FY1997- FY2000)	FY2000 TANF grants transferred to CCDF in FY2000	Percent of FY2000 TANF grant transferred to CCDF in FY2000
Alabama	418,753,154	73,248,632	17.5%	20,306,319	17%
Alaska	214,505,299	33,375,162	15.6%	13,134,900	20%
Arizona	937,872,629	102,214,710	10.9%	51,734,178	20%
Arkansas	199,270,696	5,000,000	2.5%	5,000,000	8%
California	14,458,958,043	877,615,000	6.1%	520,315,000	14%
Colorado	469,438,218	65,194,150	13.9%	29,221,458	20%
Connecticut	1,069,529,232	-	0.0%	-	0%
Delaware	118,424,438	5,849,500	4.9%	4,849,500	14%
D.C.	382,790,488	48,043,926	12.6%	18,521,963	16%
Florida	2,344,950,569	264,631,372	11.3%	117,613,943	19%
Georgia	1,307,877,397	95,750,125	7.3%	51,700,000	14%
Hawaii	325,524,819	20,213,506	6.2%	915,000	1%
Idaho	111,118,345	13,235,039	11.9%	6,624,947	20%
Illinois	1,985,575,708	242,337,170	12.2%	125,325,778	20%
Indiana	835,988,658	195,476,822	23.4%	41,359,822	19%
Iowa	497,634,166	42,034,454	8.4%	26,404,972	20%
Kansas	407,724,244	28,490,335	7.0%	15,336,680	15%
Kentucky	713,081,419	115,760,032	16.2%	36,240,000	20%
Louisiana	653,707,831	156,210,354	23.9%	54,106,043	30%
Maine	306,839,541	23,190,837	7.6%	7,336,003	9%
Maryland	877,685,860	137,458,818	15.7%	45,819,606	20%
Massachusetts	1,868,046,687	383,787,077	20.5%	91,874,224	20%
Michigan	3,143,942,863	281,798,590	9.0%	9,363,210	1%
Minnesota	915,479,748	72,292,367	7.9%	17,098,100	6%
Mississippi	360,344,979	42,645,514	11.8%	18,691,998	20%
Missouri	838,993,744	64,123,032	7.6%	20,712,684	10%
Montana	169,642,404	25,769,908	15.2%	7,612,239	17%
Nebraska	223,426,590	9,000,000	4.0%	4,000,000	7%
Nevada	175,273,137	-	0.0%	-	0%

State	Total cumulative TANF grants awarded FY1997-FY2000	Cumulative TANF grants (FY1997-FY2000) transferred to CCDF	Percent of cumulative TANF grants (FY1997-FY2000)	FY2000 TANF grants transferred to CCDF in FY2000	Percent of FY2000 TANF grant transferred to CCDF in FY2000
New Hampshire	154,085,043	-	0.0%	-	0%
New Jersey	1,514,263,411	301,852,683	19.9%	79,795,989	20%
New Mexico	455,187,418	46,521,342	10.2%	19,528,227	15%
New York	9,319,061,424	761,600,000	8.2%	437,000,000	18%
North Carolina	1,180,040,646	157,833,798	13.4%	65,880,426	20%
North Dakota	88,876,489	500,000	0.6%	500,000	2%
Ohio	2,911,873,040	77,453,492	2.7%	77,453,492	11%
Oklahoma	594,451,025	118,890,206	20.0%	30,199,871	20%
Oregon	668,204,335	-	0.0%	-	0%
Pennsylvania	2,629,891,350	194,091,000	7.4%	67,122,000	9%
Rhode Island	334,962,828	17,730,261	5.3%	4,085,057	4%
South Carolina	394,967,259	10,175,262	2.6%	1,046,630	1%
South Dakota	82,536,526	5,963,361	7.2%	4,363,361	20%
Tennessee	804,213,896	133,444,177	16.6%	50,402,091	24%
Texas	2,005,877,272	168,653,815	8.4%	38,292,192	7%
Utah	322,686,833	3,740,480	1.2%	-	0%
Vermont	189,412,724	25,889,490	13.7%	7,729,551	16%
Virginia	592,469,414	88,984,715	15.0%	27,699,905	17%
Washington	1,510,874,418	250,005,775	16.5%	100,037,747	24%
West Virginia	415,166,588	15,353,655	3.7%	-	0%
Wisconsin	1,270,217,409	176,429,520	13.9%	63,500,000	20%
Wyoming	82,230,508	9,100,000	11.1%	-	0%
Total	63,853,950,762	5,988,959,464	9.4%	2,435,855,106	14%

Source: Table prepared by the Congressional Research Service (CRS) based on data provided by HHS.

Appendix C. Total CCDF and TANF Child Care Expenditures by Funding Source: FY1992-FY2000

(\$ in million)

Fiscal year	Federal CCDF funds		State CCDF funds			TANF			Total child care spending	
	Discretionary ^a	Mandatory "guaranteed" ^b	Matching federal share	Maintenance of effort (MOE)	Matching state share	Total CCDF spending	TANF federal funds	TANF "excess" child care MOE funds		
1992	332	801		616		1,749			1,749	
1993	675	890		662		2,227			2,227	
1994	835	1,055		798		2,688			2,688	
1995	832	1,235		950		3,017			3,017	
1996	850	1,280		994		3,125			3,125	
1997	1,009	986	552	945	416	3,909	13	120	133	4,042
1998	1,486	1,169	867	1,031	715	5,268	259	195	455	5,723
1999	2,583	1,165	882	1,018	636	6,283	604	465	1,069	7,352
2000	3,064	1,127	1,095	1,049	887	7,221	1,411	774	2,185	9,406

Source: Table prepared by the Congressional Research Service (CRS) based on data provided by the Department of Health and Human Services (HHS).

Note: Child care expenditures in the territories are excluded.

^a Discretionary fund expenditures include spending from TANF transfers to CCDF.

^b Expenditures made in FY1992-FY1996 from the federal share of AFDC-related child care matching funds are included in the same column as the mandatory CCDF expenditures because these expenditures were the basis for determining mandatory "guaranteed" funding levels for the CCDF. Similarly, the FY1992-FY1996 expenditures made from the state share of AFDC-related child care matching funds appear in the same column showing CCDF MOE expenditures (for FY1997-FY2000) because they formed the basis of determining the MOE requirement level.