



# Historical Federal and State Allocations

## Current Funding Level and Important Considerations for Future



# Historical Federal Funding

Federal Funds - School Readiness					
Fiscal Year	Federal CCDF	Federal TANF	Other Federal Funds	Even Start	Total Federal Funds
2008-2009	373,014,868	124,542,933	500,000	1,000,000	499,057,801
2007-2008	372,988,183	134,476,324	500,000	1,000,000	508,964,507
2006-2007	369,017,092	111,667,475	500,000	1,000,000	482,184,567
2005-2006	379,501,798	111,477,724	500,000	1,000,000	492,479,522
2004-2005	379,674,969	112,477,724	500,000	1,000,000	493,652,693
2003-2004	386,647,613	112,477,724	500,000	12,000,000	511,625,337
2002-2003	372,714,989	112,727,724	2,110,274	12,000,000	499,552,987
2001-2002	322,686,993	157,969,708	2,105,274	12,000,000	494,761,975



# How CCDF Allocations Are Calculated

- **Discretionary Fund** - The Child Care and Development Block Grant (CCDBG) Act authorizes Discretionary Funds that are subject to annual appropriation. The amount an individual State receives in a fiscal year is determined according to a formula that consists of three factors:
  - Young child factor – the ratio of the number of children under age five in the State to the number of children under age five in the country;
  - School lunch factor – the ratio of the number of children in the State who receive free or reduced price school lunches under the National School Lunch Act to the number of such children in the country;
  - Allotment proportion factor – a weighting factor determined by dividing the three-year average national per capita income by the three-year average per State capita income (as calculated every two years).
- **Mandatory Fund** - The Deficit Reduction Act of 2005 (DRA) appropriated Mandatory Funds for fiscal years (FYs) 2006 through 2010 under section (418) of the Social Security Act. A State's allocation of the Mandatory Fund is the greater of the:
  - Federal share of expenditures in the State IV-A child care programs (AFDC, JOBS, Transitional, At-Risk) in 1994 or 1995 (whichever is greater), **or**
  - Average Federal share of expenditures in the State IV-A child care programs (AFDC, JOBS, Transitional, At-Risk) for 1992 through 1994.
- **Matching Fund** - The Matching fund is the remaining amount appropriated under section 418(a)(3) of the Social Security Act after the Mandatory Funds are allotted. A State's allocation of the Matching Fund is based on the number of children under age 13 in the State compared with the national total of children under age 13. The Matching Funds must be matched by a State at its applicable Federal Medical Assistance Percentage (FMAP) rate.



# Historical State Funding

State Funds - School Readiness						
Fiscal Year	Local Funds	General Revenue Match	TANF Maintenance of Effort	CCDF Maintenance of Effort	General Revenue Unrestricted	Total School Readiness State Funds
2008-2009	-	20,033,366	95,509,178	26,732,698	10,814,649	153,089,890
2007-2008	-	26,529,728	95,509,178	26,732,698	11,166,307	159,937,911
2006-2007	700,000	27,428,870	100,509,178	26,732,698	33,824,403	189,195,149
2005-2006	700,000	29,628,997	103,196,074	33,415,872	11,850,913	178,791,856
2004-2005	700,000	29,587,081	89,956,082	33,415,872	24,915,049	178,574,084
2003-2004	4,700,000	26,821,251	73,520,911	33,415,872	37,092,697	175,550,731
2002-2003	4,700,000	28,325,165	73,520,911	33,415,872	46,669,586	186,631,534
2001-2002	4,705,000	3,784,207	44,320,993	33,415,872	100,404,023	186,630,095



# Comparison of State to Federal Funding

			TOTAL	% Federal Funds to School Readiness All Funds
Fiscal Year	Total Federal Funds	Total School Readiness State Funds	SCHOOL READINESS ALL FUNDS	
2008-2009	499,057,801	153,089,890	652,147,691	77%
2007-2008	508,964,507	159,937,911	668,902,418	76%
2006-2007	482,184,567	189,195,149	671,379,716	72%
2005-2006	492,479,522	178,791,856	671,271,378	73%
2004-2005	493,652,693	178,574,084	672,226,777	73%
2003-2004	511,625,337	175,550,731	687,176,068	74%
2002-2003	499,552,987	186,631,534	686,184,521	73%
2001-2002	494,761,975	186,630,095	681,392,070	73%



# Historical Funding to Coalitions

	Allocation to Coalitions	Actual Expenditures	Reversions
2008-09	621,622,499		
2007-08	630,084,264	623,694,705	6,389,559
2006-07	634,770,489	630,211,904	4,558,585
2005-06	638,429,264	630,916,081	7,513,183
2004-05	639,143,367	629,601,625	9,541,742
2003-04	636,262,141	633,203,340	3,058,800
2002-03	625,888,510	623,611,253	2,277,257



# Office of Early Learning Fiscal Budget 2008-09

		Total All Funds
	<b>Category</b>	<b>Title</b>
		<b>Budget</b>
1		
2	<b>010000</b>	<b>Salaries &amp; Benefits</b>
3	<b>030000</b>	<b>Other Personal Services</b>
13	<b>040000</b>	<b>Expenses</b>
17	<b>060000</b>	<b>Total OCO</b>
18	<b>050235</b>	<b>PC&amp;G - Even Start UNF Contract &amp; Tech. Asst. Contracts</b>
19	<b>107040</b>	<b>Transfer to DMS for HR Services</b>
20	<b>103241</b>	<b>Risk Management</b>
21	<b>210018</b>	<b>Data Processing Services - STO</b>
37	<b>103114</b>	<b>SR Services</b>
42	<b>103119</b>	<b>Data Systems for SR</b>
43	<b>107007</b>	<b>VPK - Coalitions</b>
44	<b>200010</b>	<b>QEC - ELIS</b>
45	<b>Total All Categories</b>	



# Funding Problems

1. Carry-forward funding
2. Non-recurring funding
3. Reductions in Funding



# Funding Problems: Carry-forward funds

- Since our program has been in AWI, we are partially operating on carry-forward funding
- The amount of carry-forward has dwindled
- FY 2009-10 will require additional funding to maintain our programs (approximately \$2.7 million)



# Funding Problems: Non-recurring funds

- Currently we are operating on non-recurring funding
  - \$12.2 m in CCDF funding
  - \$8 m in TANF funding
  - \$7.5 m in P & I Trust Fund funding
  - Carry-forward funding
- These will need to be funded for us to maintain current level of service



# Funding Problems: Reduction in Funding

## Federal Funding

- 2007-08
  - \$3.9 million CCDF Reduction
  
- 2008-09
  - \$7.7 million CCDF Reduction - projection

<http://www.acf.hhs.gov/programs/ccb/law/allocations/state.htm>



# Funding Problems: Reduction in Funding

RESULTS OF AUGUST 15, 2008 REVENUE ESTIMATING CONFERENCE  
GENERAL REVENUE FUND  
(\$ MILLIONS)

2008-09

	TOTAL			RECURRING			NONRECURRING		
	Old Forecast	New Forecast	Change	Old Forecast	New Forecast	Change	Old Forecast	New Forecast	Change
Sales tax/GR	19,091.1	17,913.0	(1,178.1)	19,091.9	17,913.8	(1,178.1)	(0.8)	(0.8)	0.0
Beverage tax & licenses	593.2	595.0	1.8	593.2	595.0	1.8	0.0	0.0	0.0
Corporate income tax	2,288.5	2,092.0	(196.5)	2,195.8	1,999.3	(196.5)	92.7	92.7	0.0
Documentary stamp tax	421.6	252.5	(169.1)	413.2	244.1	(169.1)	8.4	8.4	0.0
Tobacco taxes	272.5	271.3	(1.2)	277.3	276.1	(1.2)	(4.8)	(4.8)	0.0
Insurance premium tax	792.3	735.0	(57.3)	792.3	735.0	(57.3)	0.0	0.0	0.0
Parimutuels tax	24.5	20.2	(4.3)	24.5	20.2	(4.3)	0.0	0.0	0.0
Intangibles tax	402.2	305.3	(96.9)	402.2	305.3	(96.9)	0.0	0.0	0.0
Earnings on Investments	278.9	278.9	0.0	278.9	278.9	0.0	0.0	0.0	0.0
Driver's License Fees	83.1	83.1	0.0	88.2	88.2	0.0	(5.1)	(5.1)	0.0
Medical-hospital fees	178.9	179.0	0.1	178.9	179.0	0.1	0.0	0.0	0.0
Auto title & lien fees	29.7	29.2	(0.5)	29.7	29.2	(0.5)	0.0	0.0	0.0
Severance tax	20.9	25.6	4.7	19.9	24.6	4.7	1.0	1.0	0.0
Service charges	369.0	346.8	(22.2)	369.4	347.2	(22.2)	(0.4)	(0.4)	0.0
Corporation Filing Fees	237.4	221.4	(16.0)	237.4	221.4	(16.0)	0.0	0.0	0.0
Article V Fees	223.8	223.8	0.0	234.6	234.6	0.0	(10.8)	(10.8)	0.0
Other taxes & fees	265.9	265.9	0.0	265.9	265.9	0.0	0.0	0.0	0.0
Total Revenue	25,573.5	23,838.0	(1,735.5)	25,493.3	23,757.8	(1,735.5)	80.2	80.2	0.0
Less: Refunds	435.9	466.2	30.3	435.9	466.2	30.3	0.0	0.0	0.0
Net General Revenue	25,137.6	23,371.8	(1,765.8)	25,057.4	23,291.6	(1,765.8)	80.2	80.2	0.0



# Funding Problems: Reduction in Funding

## State Funding

- Reductions in 2007-08 = \$6.4 m partially offset by \$3.8 m fund shift. No impact to coalitions
- Reductions for 2008-09 = \$17.5 m of which \$10.1 m was applied to the coalitions
- 4% Hold-back for 2008-09
  - This hold-back will likely be a reduction of \$6.3 m
- Possible 10% Reduction for 2009-10
  - A 10% reduction in GR would amount to \$44.8 m reduction due to reductions in federal funding



# Questions?

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