

CCDF Funding Allocations and Periods of Availability

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 allocation¹ 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 13.² The Matching Funds must be matched by a State at its applicable Federal Medical Assistance Percentage (FMAP) rate.

Period of Availability of CCDF Funds

- **Discretionary Funds.** 2 years to obligate; an additional 1 year to liquidate. Discretionary Funds must be obligated in the fiscal year in which they are awarded, or in the following fiscal year. Any Discretionary Funds unliquidated by the end of the first two fiscal years, must be liquidated by the end of the following fiscal year (the third fiscal year).³

¹ State allocations are calculated after deductions are made for: training and technical assistance (0.25% of all 3 funds); Tribes (2% of all 3 funds); and Territories (0.5% of the Discretionary Fund).

² In order to receive Matching Funds, a State must: (1) obligate all of its Mandatory Funds in the fiscal year in which the Mandatory Funds are awarded; (2) within the same fiscal year, obligate and expend funds equal to its State Maintenance of Effort (MOE) level; and (3) obligate the Federal and State share of Matching Funds in the fiscal year in which the Matching Funds are awarded.

³ TANF Funds transferred to CCDF during a fiscal year are treated as Discretionary Funds of the year they are transferred.

- **Mandatory Funds.** If a State also requests Matching Funds: 1 year to obligate; no limit on the liquidation period. If a State does not request Matching Funds, the Mandatory Funds are available until expended. (No limit on the obligation or liquidation period.)
- **Matching Funds.** 1 year to obligate; 1 additional year to liquidate. Both the Federal and non-Federal share of the Matching Funds must be: obligated by the end of the fiscal year in which the Matching Funds are awarded; liquidated by the end of the following fiscal year.
- **Tribal Funds (Discretionary and Mandatory).** 2 years to obligate; 1 additional year to liquidate (except for construction and renovation funds which must be liquidated in three years without a separate obligation period).

Example: The availability periods for FY 2011 funds awarded on any date in FY 2011 (October 1, 2010 through September 30, 2011):

If Source of Funds is FY 2011 –	Obligation Must Be Made by End of –	And Liquidated by the End of –
Discretionary	FY 2012 (i.e., by 9/30/12)	FY 2013 (i.e., by 9/30/13)
Mandatory (State)	FY 2011 (i.e., by 9/30/11); ONLY if Matching Funds are used	No requirement to liquidate by a specific date
Mandatory (Tribe)	FY 2012 (i.e., by 9/30/12)	FY 2013 (i.e., by 9/30/13)
Matching	FY 2011 (i.e., by 9/30/11)	FY 2012 (i.e., by 9/30/12)
MOE	FY 2011 (i.e., by 9/30/11)	FY 2011 (i.e., by 9/30/11)