



Office of Early Learning



Knowing Your Early Childhood Funding Streams

October 20, 2008



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Topics Covered



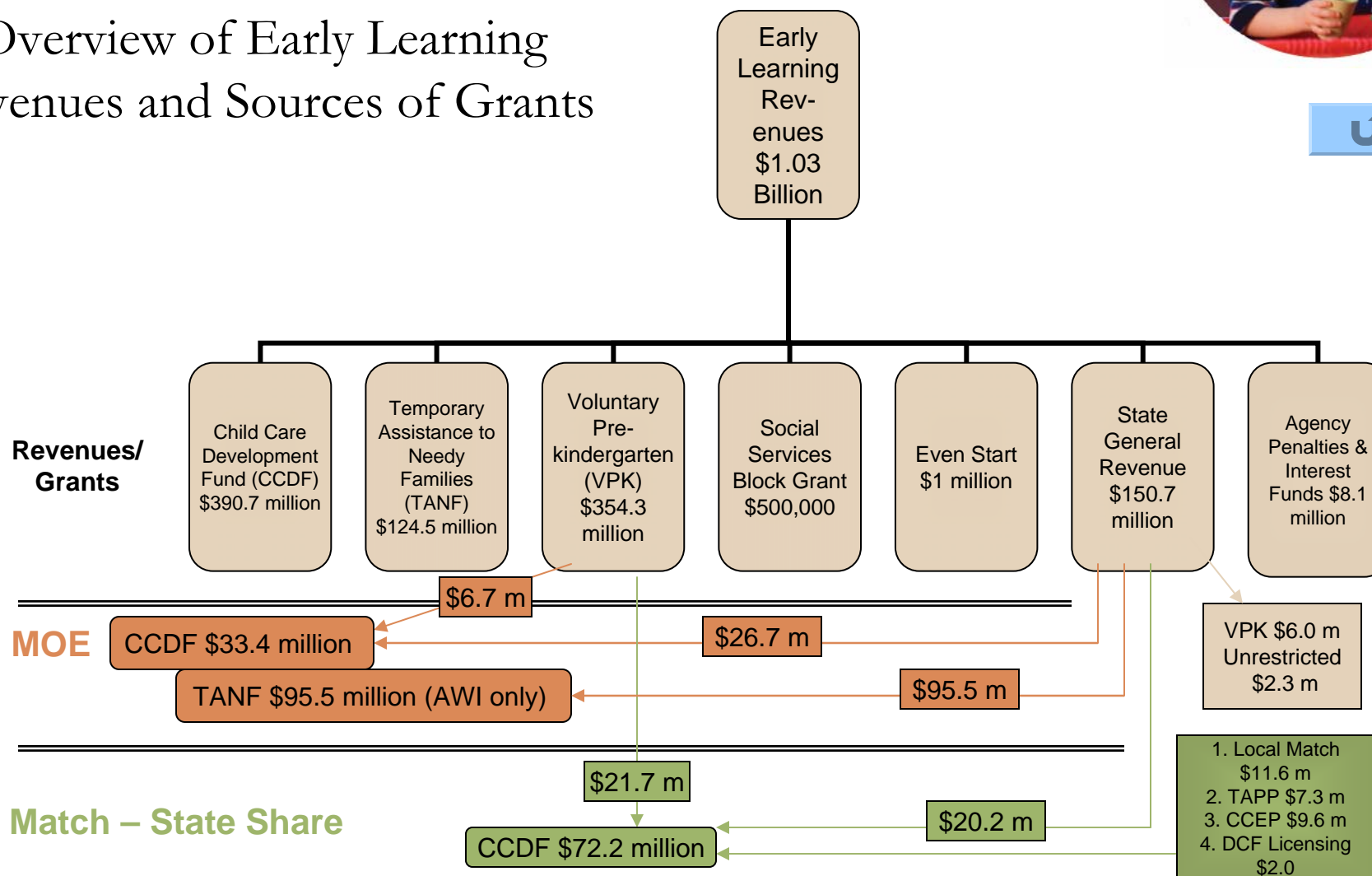
- Federal Grants – CCDF, TANF, SSBG
- Maintenance of Effort Details for CCDF and TANF
- Match Details – How Calculated and Sources of Match
- State Revenues
- Funding Flow for Early Learning



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Overview of Early Learning Revenues and Sources of Grants





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Federal Revenues Overview



- Child Care Development Fund – primary child care subsidy program for low-income families, to improve the quality of child care, and to provide child care for children in protective services. Replaced previous welfare related child care programs in Aid to Families with Dependent Children (AFDC) and Job Opportunities and Basic Skills Training (JOBS) child care; Transitional child care and At-Risk child care
- Temporary Assistance to Needy Families – time-limited assistance to prepare eligible families independence from welfare. Replaced the AFDC, Emergency Assistance (EA), and JOBS programs
- Social Services Block Grant – to furnish social services best suited to meet the needs of the individuals residing within the state that meet one or more of five goals. Examples of eligible services include daycare for children or adults, adoption, counseling, case management, or substance abuse.
- Even Start – Family literacy program



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State Revenues Overview



- General Revenue for School Readiness
- General Revenue for Voluntary Prekindergarten

General Revenue is the state source of revenue derived from receipts of sales tax, documentary stamp tax, corporate income taxes, tobacco taxes, insurance premium taxes, parimutuel taxes, intangibles taxes, estate taxes, and other taxes

- Agency Penalties and Interest Funds

Penalties and interest from qualified employers doing business in Florida that do not file their unemployment tax reports timely and/or pay their unemployment compensation taxes timely, and are deposited into the Agency's Special Employment Security Administration Trust Fund. (Section 443.141, F.S.)



Maintenance of Effort Details

CCDF – see 45 CFR 98.53 (c) (1)

TANF – see 45 CFR 263.1(a) *and* 263.3



What is “MOE”?

MOE (Maintenance of Effort) is a federal mandate that the states will spend a certain minimum amount of its own money (that had existed in a base period) to help eligible clients in ways that are consistent with the program involved

For CCDF, the MOE is based upon Florida’s expenditures for AFDC-linked child care programs in 1994/1995 (\$33.4 million for Florida)

For TANF, the MOE is based upon 75% (percentage determined by work participation rates) of Florida’s expenditures on AFDC and related programs in 1994 (\$368.4 million for Florida)

Note: However, due to change in TANF regarding work participation rates Florida’s MOE could go to 80% or \$392.9 million - an increase of \$24.5 million.





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What happens if we don't meet MOE?



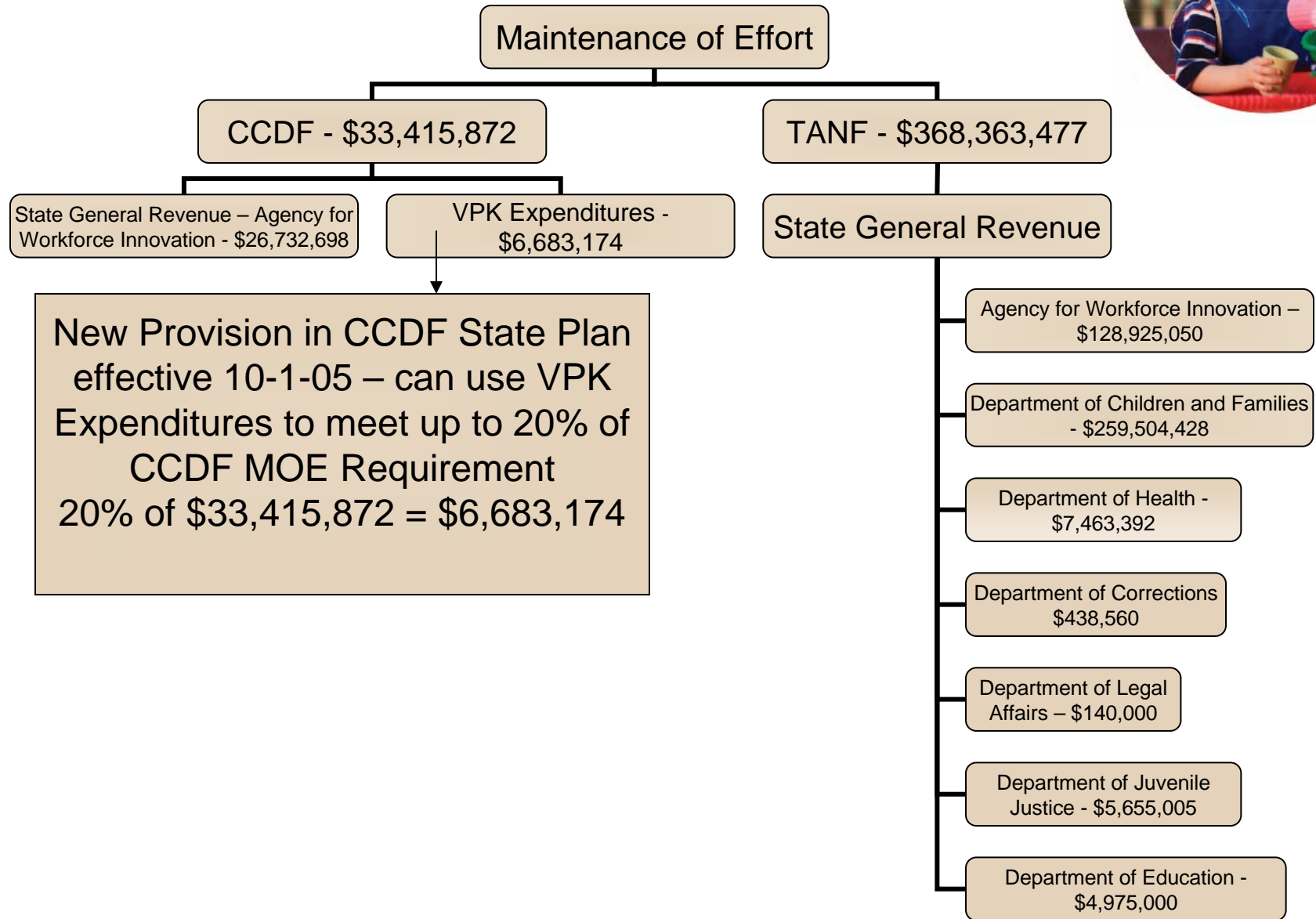
In general, the State would receive:

- Sanctions
- Penalties - \$\$
- Lose federal funds
- Increase oversight by federal auditors

- TANF
 - Reduces following year's grant by same amount and increase state MOE
- CCDF
 - Wouldn't be eligible for CCDF Matching Federal Grant
 - CCDF MOE also counts towards state TANF MOE requirement



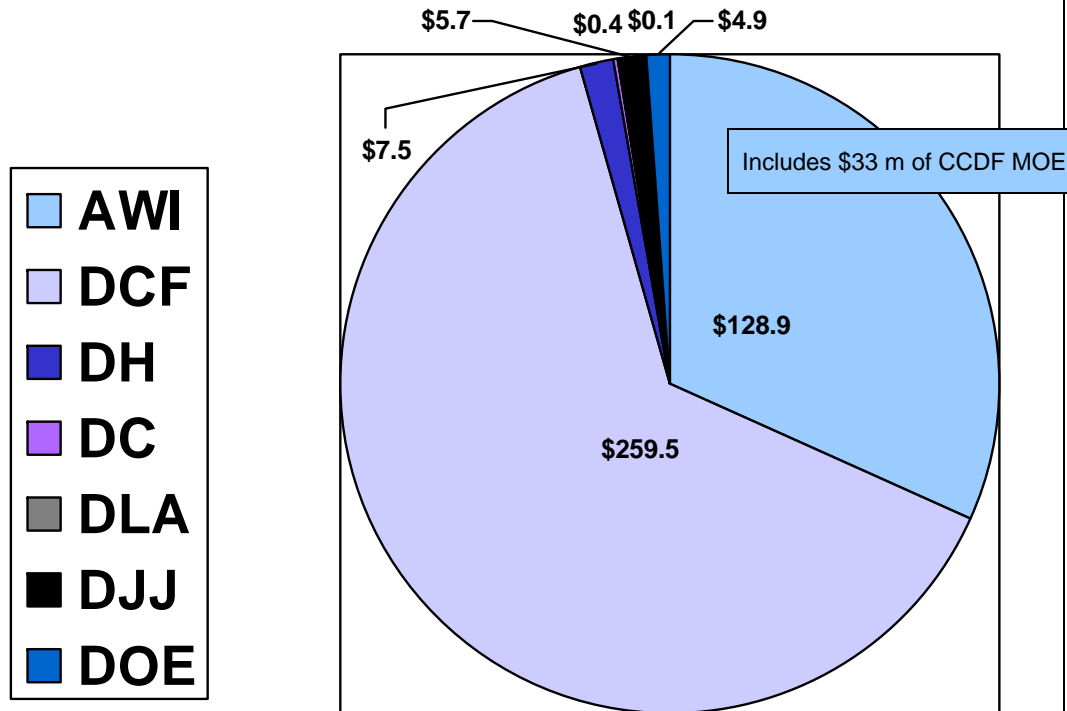
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TANF MOE

Distribution of TANF MOE



State of Florida MOE requirement for TANF annually – 75% of historic state expenditures

- \$368.4 million
- Federal provision allows the CCDF MOE to also count for TANF MOE (45 CFR 263.3)

Total budgeted TANF MOE \$407.1 million – surplus of \$38.7 million (or only \$7.9 million surplus if other considerations take effect)



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Matching – State Share Details

CCDF – see 45 CFR 98.53



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What is “Matching”



- Under CCDF, one of the subgrants (Matching) requires the State to match the grant at the Medicaid matching rate (Federal Medicaid Assistance Percentage or FMAP). In Florida, for Federal Fiscal Year 2008 the FMAP rate is 56.83% and Federal Fiscal Year 2009 it is 55.40%
- State must also meet MOE requirement
- State must also obligate all CCDF Mandatory funds





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Matching Requirements



- Must be cash or expenditures – “in-kind” does not qualify – neither does family contributions to cost of care (parent fees)
- Allowing “in-kind” to meet match is a state provision



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Matching Requirements *(continued)*



For cash donated from private sources - *see 45 CFR 98*
- *Section 98.53(e)(2)*

- Cash must be donated without any restriction that would require their use for a specific individual, organization, facility or institution
- Will not revert to the donor's facility or use
- Are not used to match other Federal funds
- Certification that funds are eligible for Federal match
- Subject to audit requirements



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Matching State Share Calculation

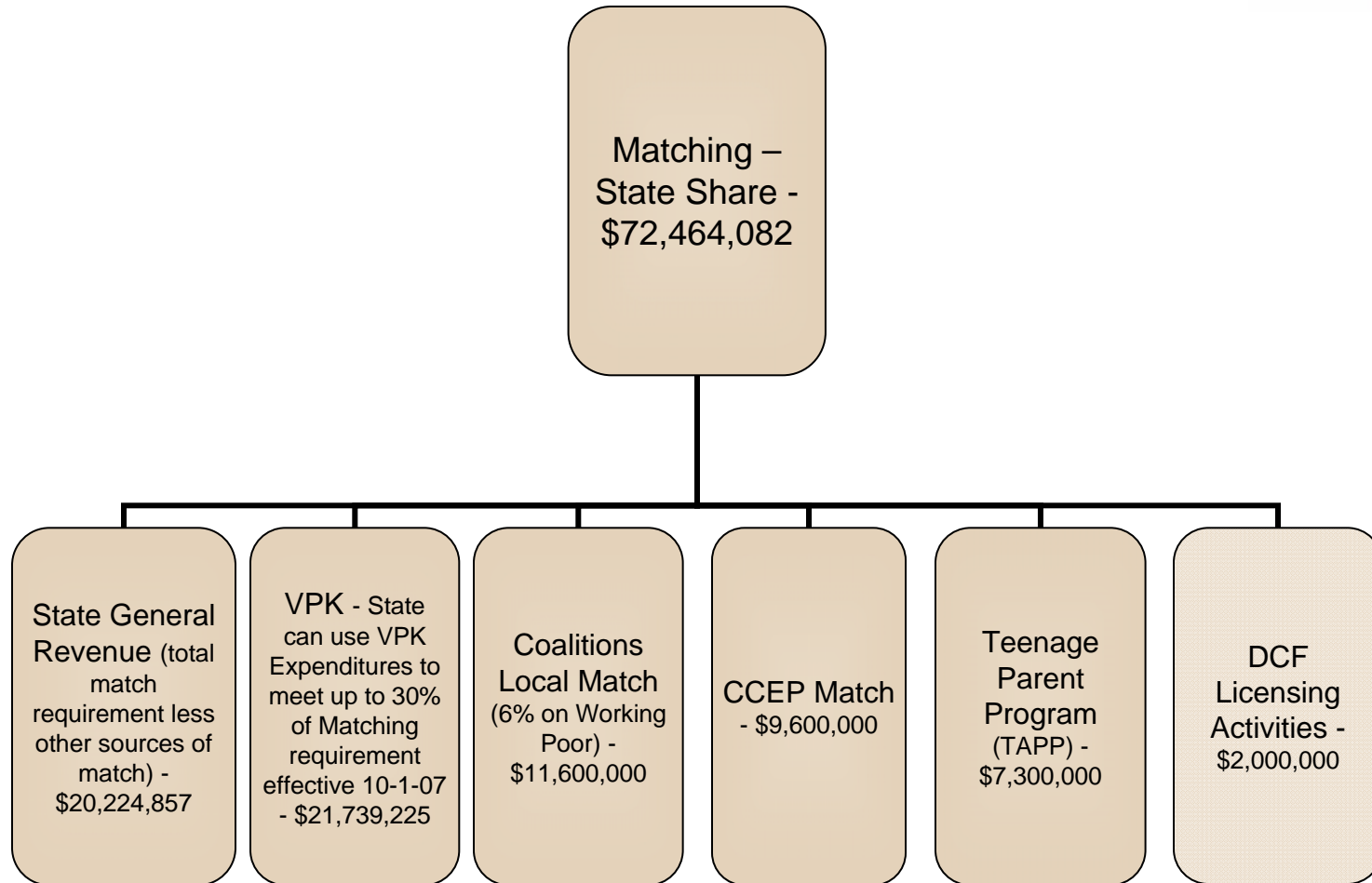


For CCDF Matching Federal Share grant, Florida must match at the FMAP rate.

Federal Award	Amount	FMAP	Amount
FFY 2008	90,967,359	56.83	\$ 69,101,898
FFY 2009	91,403,553	55.40	\$ 73,584,809
Last quarter of FFY 2008			\$17,275,475
First three quarters of FFY 2009			\$55,188,607
Amount for State Fiscal Year 2008-09			\$72,464,082



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Calculation of GR needed for Match

Target:	72,464,082
Less:	
<i>Local Match Coalitions</i>	11,600,000
<i>CCEP Match</i>	9,600,000
<i>TAPP</i>	7,300,000
<i>DCF Licensing Activities</i>	2,000,000
<i>VPK</i>	21,739,225
Net needed from GR	20,224,857



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Federal Grants/Revenues Specifics



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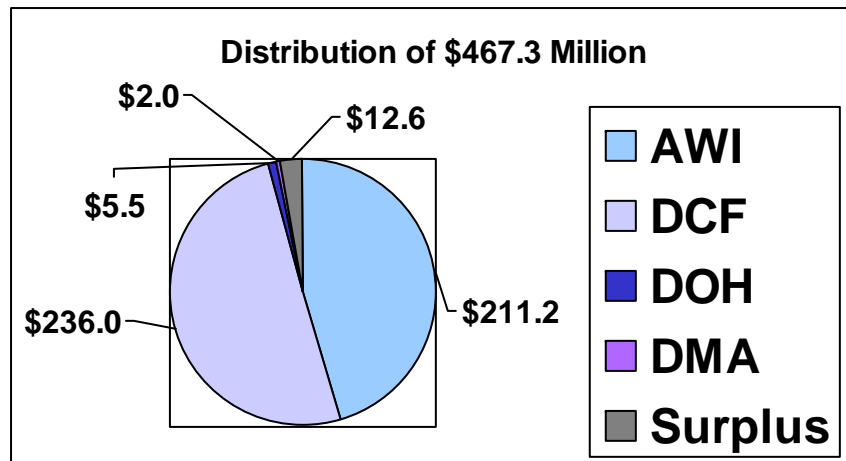
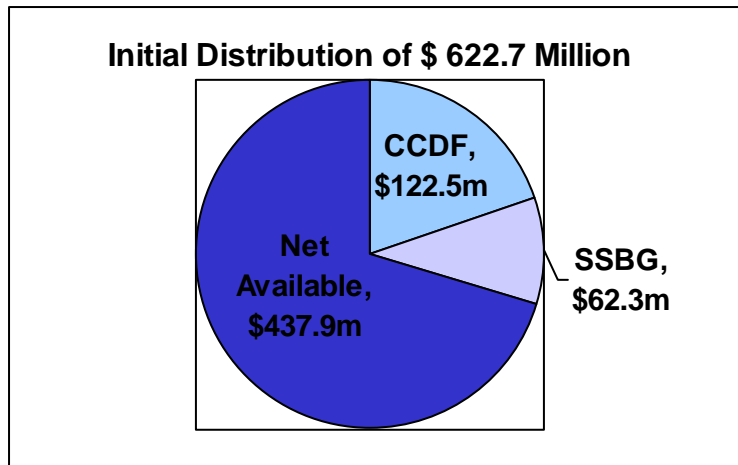
TANF



- States may use TANF funds in any manner “reasonably calculated to accomplish the purposes of TANF”
- Four primary purposes of TANF:
 - Assist needy families so that children can be cared for in their own homes
 - Reducing dependency of needy parents by promoting job preparation, work, and marriage
 - Preventing out-of-wedlock pregnancies
 - Encouraging the formation and maintenance of two-parent families
- States have the option to transfer up to 30% of TANF funds to their CCDF Discretionary Grant (“TANF transfer to CCDF Discretionary” and/or SSBG funds – may only transfer 10% to SSBG



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State of Florida received for
FY 08-09:

- \$622.7 million
 - 20% to CCDF (\$122.5m)
 - 10% to SSBG (\$62.3m)
- \$437.9 balance
- \$29.3 million unspent from prior year
- \$467.3 net available for distribution



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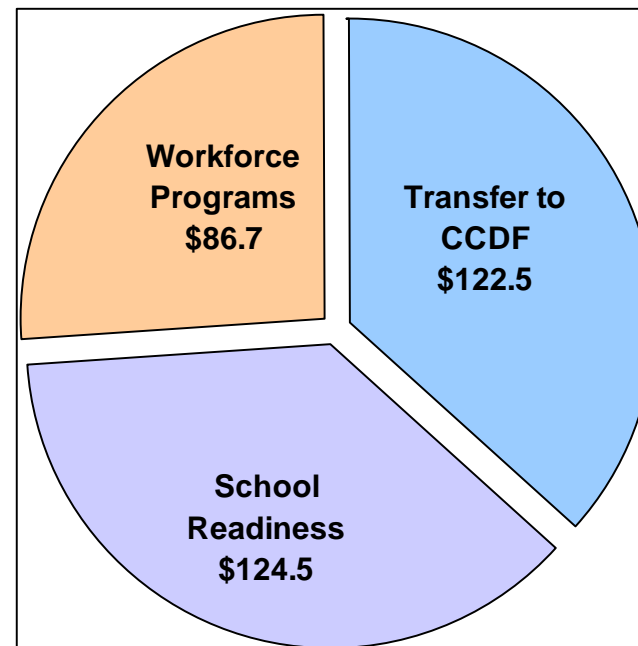
Distribution of TANF to AWI



Of \$333.7 million:

- \$122.5 million to CCDF Discretionary for School Readiness
- \$124.5 for School Readiness
- \$86.7 for Workforce Programs

Total TANF to AWI - \$333.7 Million





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Child Care Development Fund



Principal source of federal funding for child care subsidies for low income families and for initiatives to improve quality of child care. There are three separate funding streams:

- **Mandatory** – each state qualifies to receive an amount that the state was receiving from a set of federal child care programs in a base period
- **Matching** – each state elects to receive federal funds if state meets their “maintenance of effort” (continuous level of funding that existed in a base period) and if the state commits additional state funds to draw down the matching funds. The matching rate for all states is equal to 1.00 minus their FMAP rate (Federal Medicaid Assistance Percentage). In Florida, the ratio of Matching approximates 41% state funds, 59% federal funds.
- **Discretionary** – each state qualifies to receive a share of an amount subject to annual Congressional appropriations

TANF Transfer to CCDF Discretionary – States may transfer up to 30% of its TANF funds to CCDF Discretionary grant and/or SSBG.

- The funds transferred to CCDF Discretionary funds are treated as and subject to CCDF rules. Florida elects to transfer **20%** of its TANF grant to CCDF Discretionary (which comes to AWI).
- The funds transferred to SSBG are treated as and subject to SSBG rules. Florida elects to transfer **10%** of its TANF to SSBG (which goes to Department of Children and Families).



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Besides the four subgrants
of:

- Mandatory
- Matching
- Discretionary
- TANF transfer to CCDF
Discretionary

*there are requirements or
restrictions of:*

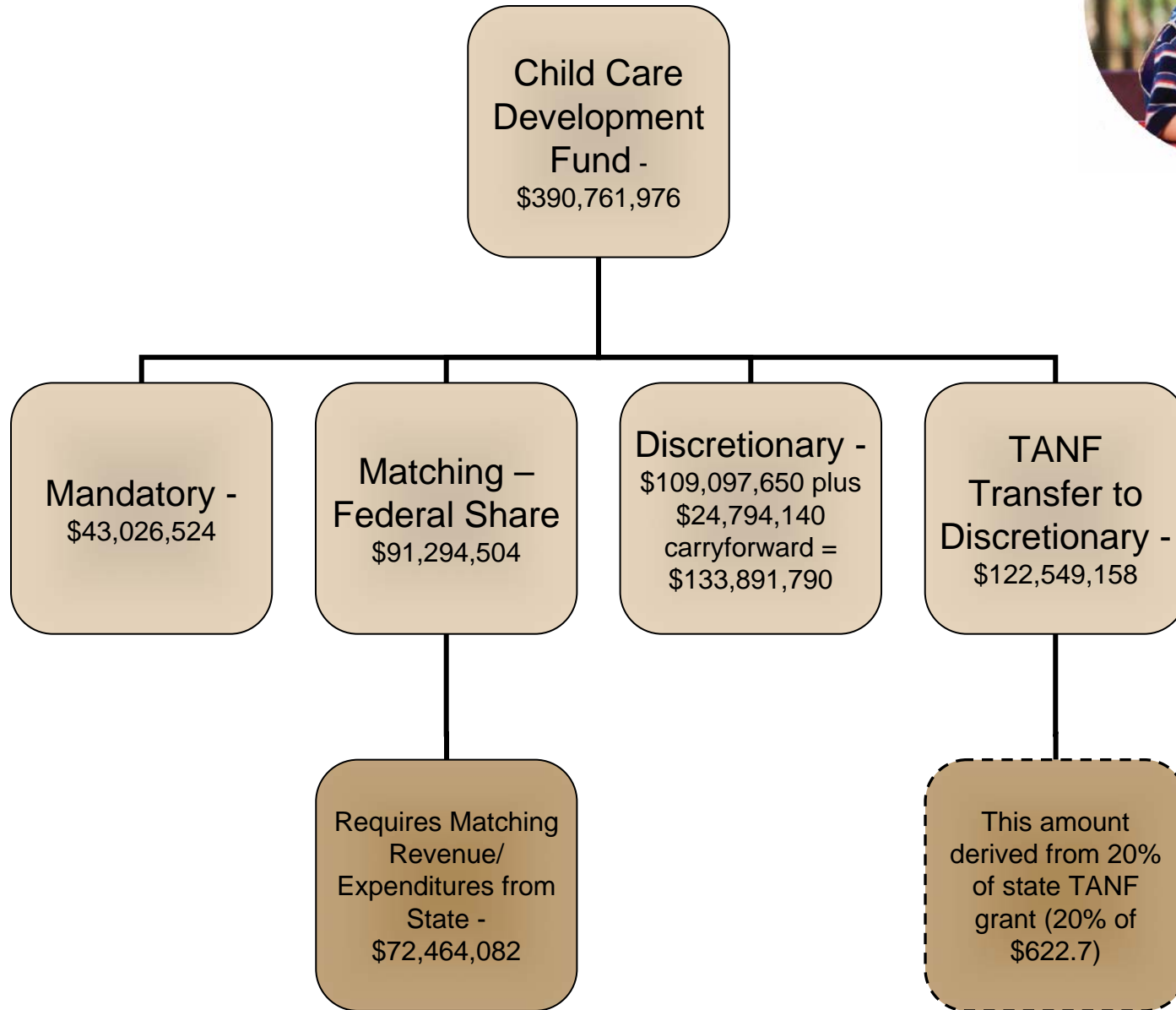


2009 Allocations

- **EARMARKS:**
 - School Age/Resource
& Referral \$.9m
(97QI4)
 - Infant and Toddler
\$5.2m (97INT)
 - Quality Expansion
\$8.9m (97QOO)
- Minimum of overall
Quality of 4%
- Maximum of 5% for
Administration
(97BBA)

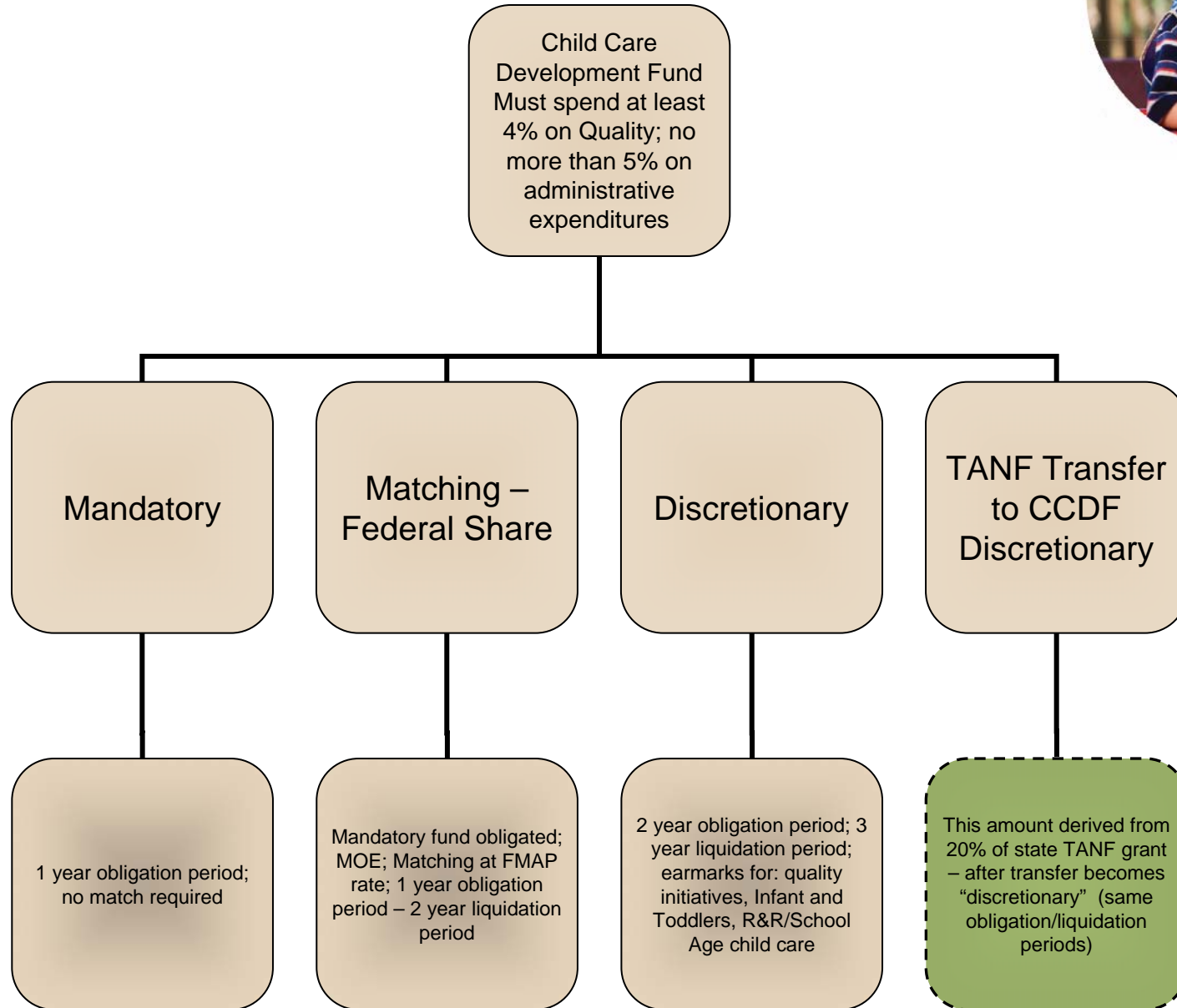


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Social Services Block Grant



- The Social Services Block Grant is administered by the Office of Community Services, Division of State Assistance, Administration for Children and Families, DHHS.
- Grants to states are based upon a federal statutory formula based on each state's population. States determine the services they will provide with the funds, the distribution method, and eligibility requirements. Most frequent services provided include child care, home-based services to assist individuals or families with household and personal care, protective services associated with the abuse, neglect or exploitation of children or adults, special services for physically, mentally or emotionally disabled, and social support services.
- The Department of Children and Families is the designated lead state agency for the receipt of the funds, with allocations determined by the Florida Legislature. For FY 2008-09 Florida will receive \$103.4 million (plus additional \$62 million from TANF) of which Early Learning programs received an allocation of \$500,000.



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Social Services Block Grant



- AWI receives \$500,000
- Retained this small portion of SSBG funds only to allow local for-profit providers access to federal free-and-reduced lunch program funds
- Distribution of SSBG funds made as adjustments by EL Grant Accountant – SSBG funds are not included in Local Coalitions Payment Matrix



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State Revenues Overview



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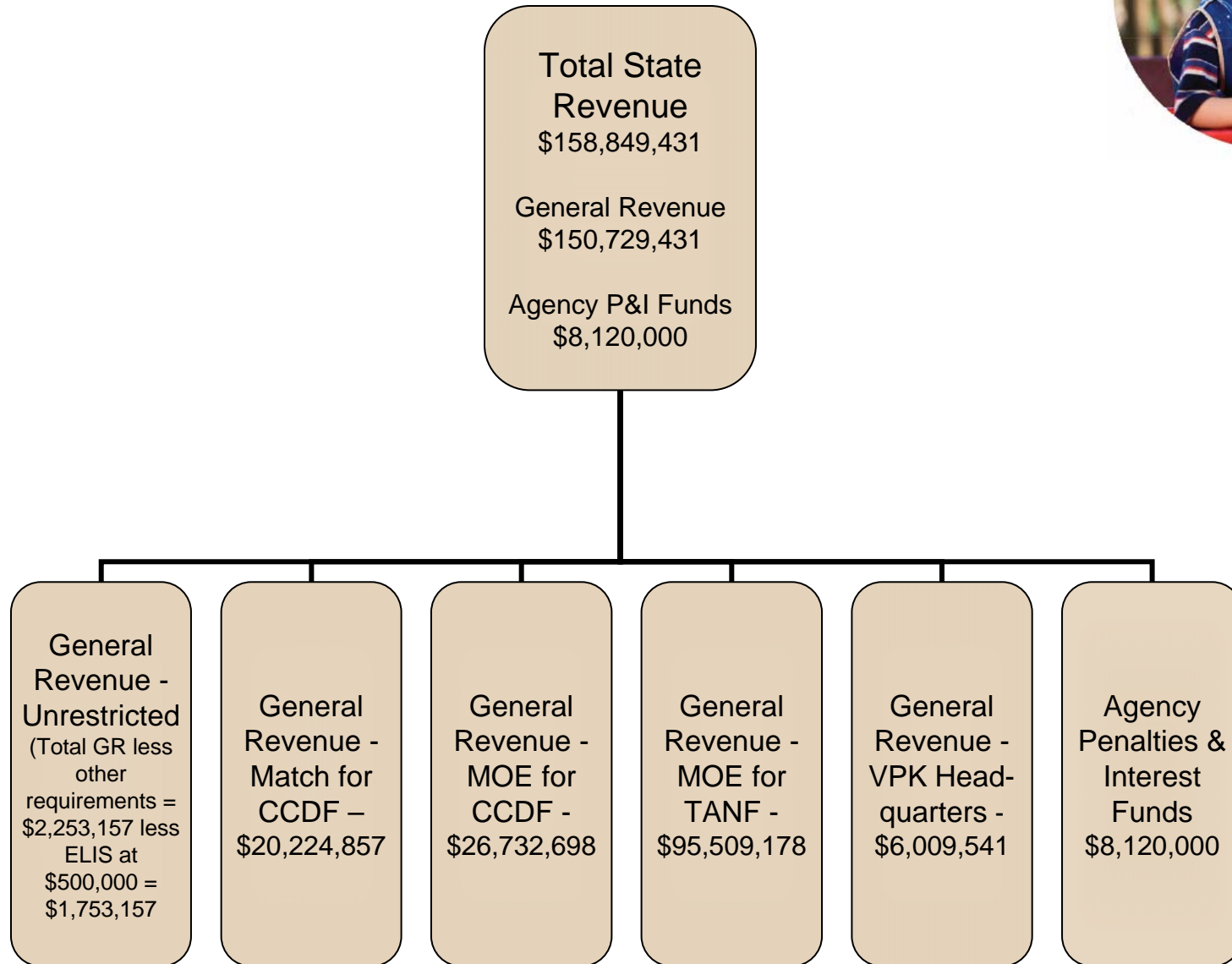
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- In Fiscal Year 2008-2009, of the \$150.7 million General Revenue:
 - \$122.2 million is used as Maintenance of Effort for the State’s CCDF and TANF funds,
 - An additional \$20.2 million (in addition to Local Match, CCEP match, VPK, TAPP Program and DCF Licensing Activities expenditures) will be used as match to draw down \$90.9 million CCDF Matching Grant,
 - Available unrestricted General Revenue is approximately \$2.3 million (\$0.5 million for ELIS), and
 - \$6.0 million is for VPK administrative costs
- An additional \$354.3 million from General Revenue is appropriated for VPK Direct Services to the Department of Education and then transferred to the Agency
- \$8.1 million of the Agency’s Penalties & Interest funds were appropriated for the first time in Fiscal Year 2008-2009 for the School Readiness program and is treated as available unrestricted revenue



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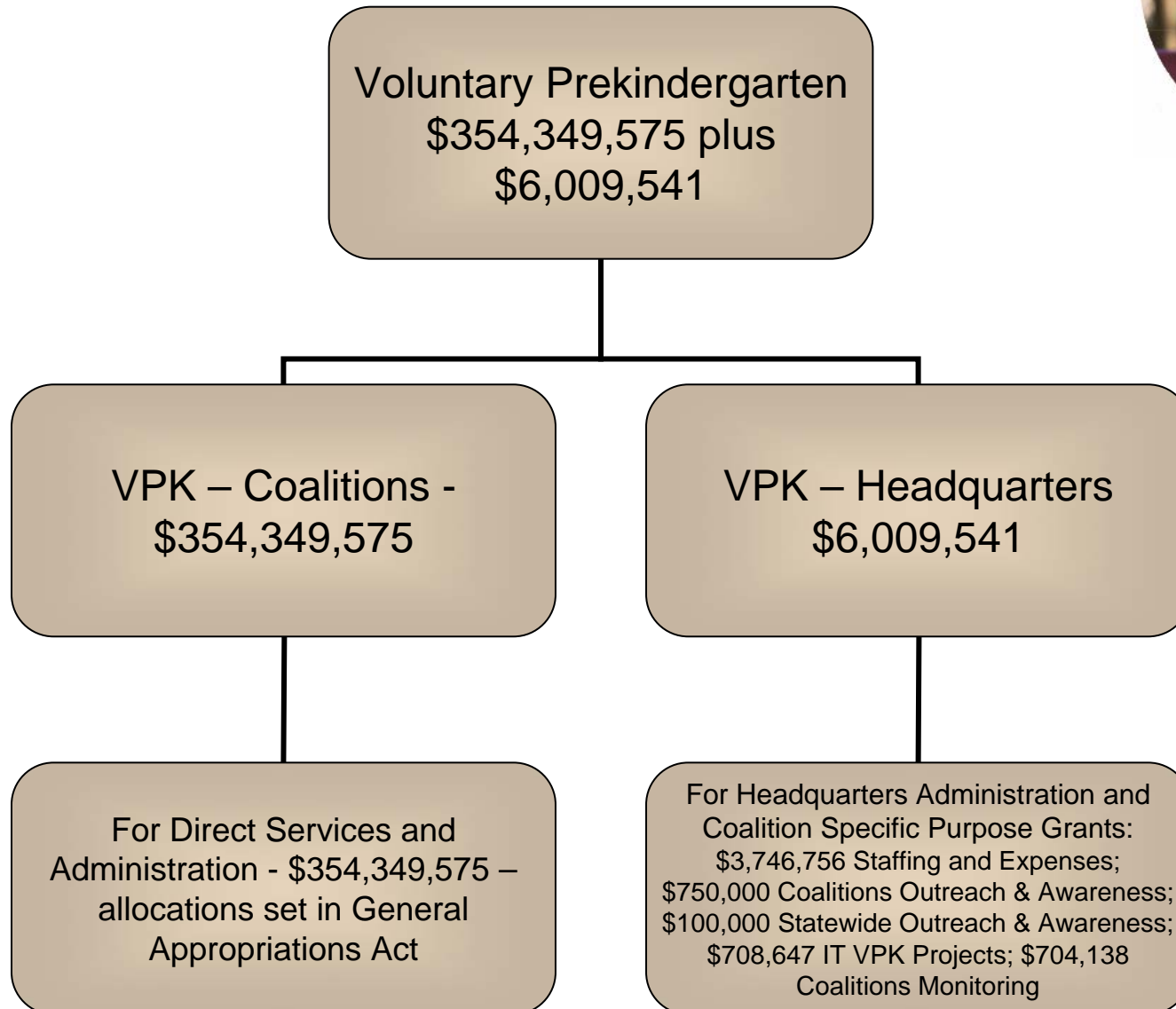
Unrestricted General Revenue Calculation



Total General Revenue	150,729,431
<i>Less:</i>	
TANF MOE	95,509,178
CCDF MOE	26,732,698
CCDF Matching State Share	20,224,857
VPK Headquarters	6,009,541
Net	2,253,157
<i>Less ELIS</i>	500,000
Net Unrestricted GR	1,753,157



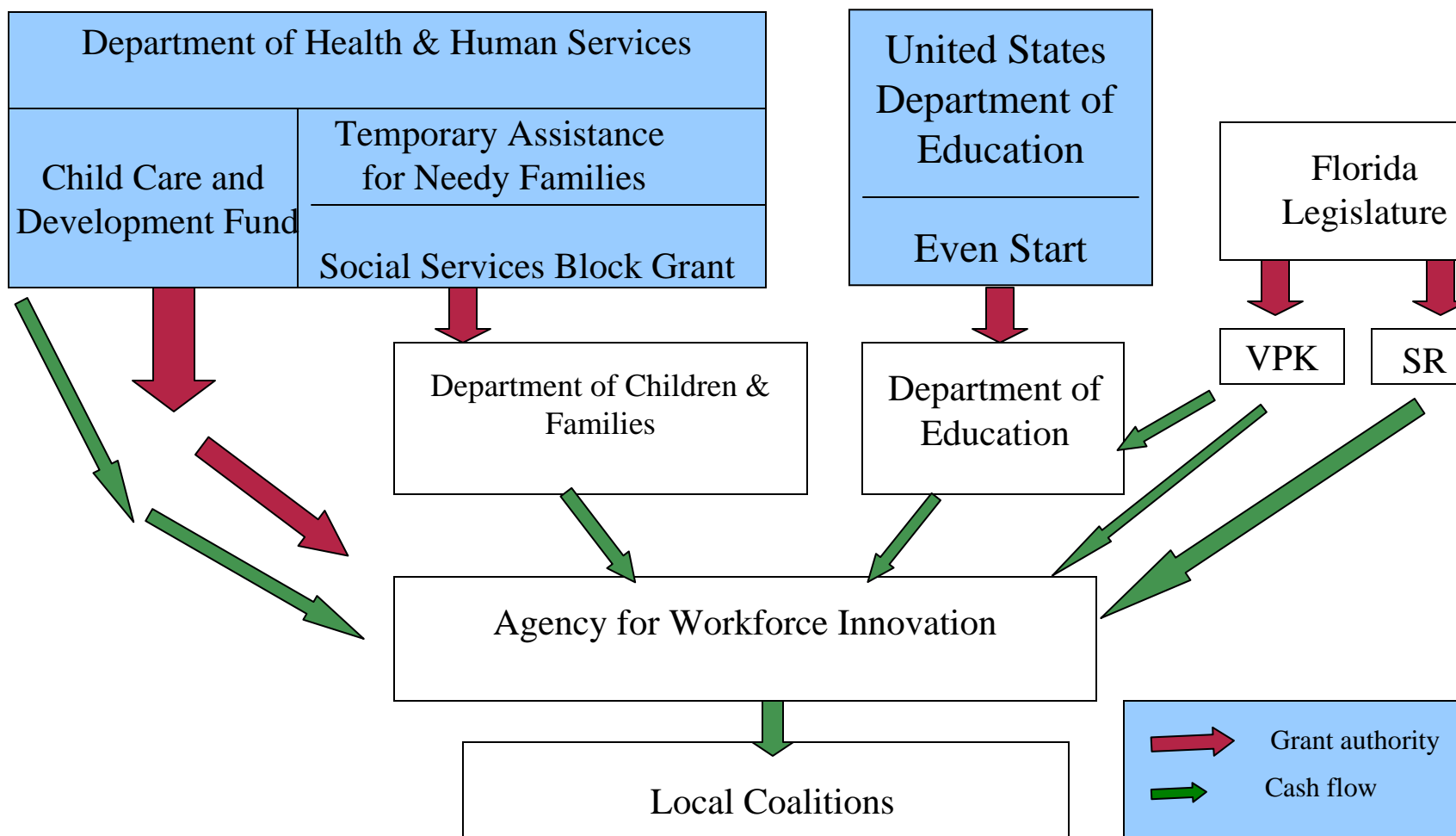
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Funding Flow for Early Learning Program





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Questions?

contact Maxine McConnell at

maxine.mcconnell@flaawi.com