

# Federal Funding Streams

## CCDF Funding Streams Overview

Available to states, tribes and territories?

How are funds allocated to states?

State match or maintenance of effort (MOE) required?

Require an appropriation by Congress?

## Mandatory (CCDF Reg § 98.62)

Available to states and tribes only.

Based on funding for now repealed AFDC-linked child care programs from 1990s.

No.

No.

## Matching (CCDF Reg § 98.63)

Available to states only.

Based on the number of children in state under age 13 compared to the national total under age 13.

Yes, state match and MOE.

No.

## Discretionary (CCDF Reg § 98.61)

Available to states, territories, and tribes.

Based on Free/reduced lunch ratio, per-capita income, the number of children under age five.

No. These funds, however, typically cannot be used to replace or supplant existing state funding for child care.

Yes.

# When do funds need to be spent by?

## Obligation and Liquidation Periods

**When must funds be obligated (i.e. committed)?**

**When must funds be liquidated (i.e. paid)?**

### Mandatory

#### One Year

If a state does not request matching funds, however, the mandatory funds are available until expended.

#### No time limit

### Matching

#### One Year

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.

#### One Year

Funds must be liquidated by the end of the following (second) fiscal year.

### Discretionary

#### Two Years

Discretionary funds must be obligated in the fiscal year in which they are awarded, or in the following fiscal year.

#### One 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).

# What happens to unspent funds?

## Redistribution and Reallotment

**When are funds redistributed or reallotted?**

**What makes a state eligible to receive redistributed or reallotted funds?**

## Matching

Any portion of the matching fund granted to a state that is not obligated in the period for which the grant is made shall be redistributed.

States that have met the matching fund requirements outlined in 98.55(c) of CCDF regulations are eligible to receive funds and must request the funds on the ACF-696.

## Discretionary

Any portion of a state's discretionary fund allotment that is not required to carry out its Plan, in the period for which the allotment is made available, shall be reallotted to other states.

If the amounts reported by states as available for reallotment are greater than \$500 for an individual state, or \$25,000 in total for all states, then funds shall be reallotted to states in proportion to their original allotments.