

Table 9-1. Overview of Select Federal Programs that Support Child Care

	Dependent Care Credit	Child Care and Development Fund	Child and Adult Care Food Program	Social Services Block Grant	Head Start	Temporary Assistance for Needy Families
Budgetary Classification	Nonrefundable tax credit	Discretionary authorization and pre-appropriated mandatory funding	Authorized entitlement	Authorized entitlement	Discretionary authorization	Pre-appropriated mandatory funding
Statutory Authority	Internal Revenue Code	Omnibus Budget Reconciliation Act of 1990 and Personal Responsibility and Work Opportunity Reconciliation Act of 1996	Richard B. Russell National School Lunch Act	Social Security Act	Omnibus Budget Reconciliation Act of 1981	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
Federal Administration	DOT, IRS	HHS, ACF	USDA, FNS	HHS, ACF	HHS, ACF	HHS, ACF
Federal Funding Support	NA	Funding ceiling, 100% federal funding for discretionary and part of mandatory funding; balance at Medicaid match rate	Open ended, 100% Federal funding	Funding ceiling, 100% federal funding	Funding ceiling, 80% federal funding	Funding ceiling, 100% federal funding (with state maintenance-of-effort (MOE) requirements)
FY2011 Funding ^a (in millions)	\$1,900 ^b	\$2,223 - Discretionary \$2,917 - Mandatory	\$2,685 ^c	Total: \$1,700 ^d	\$7,560	Total: \$16,500 ^e

	Dependent Care Credit	Child Care and Development Fund	Child and Adult Care Food Program	Social Services Block Grant	Head Start	Temporary Assistance for Needy Families
Target Population	Taxpayers who need dependent care in order to accept or maintain employment	Families with incomes at or below 85% of state median income, with parents engaged in work or education/training	Children, particularly children from low-income families, in child care centers, day care homes, and afterschool programs; Adults who are functionally impaired or 60 years or older and who are enrolled in adult day care centers	State discretion	Low-income children and families	Needy families with minor children; needy pregnant women
Eligible Children	Children under age 13	Children under age 13 (unless incapable of self-care or under court supervision)	Children younger than 13 (through age 18 in the afterschool programs); migrant children younger than 16; disabled children	State discretion	Children from poor families who have not reached the age of compulsory school attendance	Needy children as determined by the State
Provider Requirements	Centers only must meet applicable state and local standards	Must meet applicable state and local standards (including relatives); with exception of relatives, must also meet certain health and safety standards	Must meet federal nutrition standards; must meet applicable state/local licensing approval standards (or, certain alternate approval standards if licensing/approval not required)	Must meet applicable state and local standards	Must meet federally established standards with respect to health, education, parental involvement, nutrition, and social services	NA (However, any transferred funds are subject to CCDBG rules)

Source: Table prepared by CRS.

Notes: NA = Not Applicable. DOT, IRS = Department of the Treasury, Internal Revenue Service. HHS, ACF = Health and Human Services, Administration for Children and Families. USDA, FNS = U.S. Department of Agriculture, Food and Nutrition Service. This table displays information for a selection of federal programs that provide support for child care. Note that such support comes in many forms, ranging from grant programs to tax provisions. Some programs serve as specifically dedicated funding

sources for child care services (e.g., the Child Care and Development Fund, or CCDF). For other programs (e.g., Temporary Assistance for Needy Families, or TANF), child care is just one of many purposes for which funds may be used.

- a. Funding in this table represents funding appropriated for FY2011, unless otherwise noted.
- b. Estimated tax expenditures (i.e., lost revenue) as reported in the FY2012 President's Budget. See Office of Management and Budget, Analytical Perspectives, Budget of the U.S. Government, Fiscal Year 2012, February 2011, p. 243.
- c. Estimated obligations as reported in the FY2012 President's Budget. See Office of Management and Budget, Analytical Perspectives, Budget of the U.S. Government, Fiscal Year 2012, February 2011, p. 299.
- d. States have flexibility in selecting service priorities for the SSBG. The amount shown is the total funding appropriated for the SSBG in FY2011. In FY2009, the most recent year for which SSBG expenditure data are available, states spent roughly \$391 million on child day care services (of which, \$280 million had been transferred from state TANF programs to the SSBG).
- e. States have flexibility in spending federal TANF dollars. The amount shown is the total funding appropriated for basic TANF block grants in FY2011. In FY2009, the most recent year for which expenditure data are available, states spent almost \$1.787 billion in federal TANF funding on child care within the TANF program. In addition, states transferred nearly \$1.727 billion in federal TANF funds to the CCDF in that year.