



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

 Office of Child Care

## **2025 State and Territory CCDF Administrators Meeting (STAM)**

**July 22–24, 2025**

**Hyatt Regency Reston  
Reston, Virginia**



# **Child Care and Development Fund (CCDF) Fiscal Fundamentals**



## Introductions

### Sharon P. Oakes

Fiscal Subject Matter Expert  
National Center on Subsidy  
Innovation and Accountability

### Joshua Clement

Equal Access Subject Matter Expert  
National Center on Subsidy  
Innovation and Accountability



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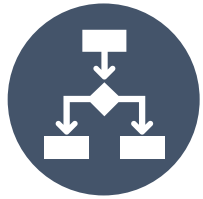
## Agenda



## CCDF Fiscal Program Overview



## The CCDF Program



Parental  
Choice and  
Equal Access



Health  
and Safety



Eligibility  
and Enrollment



Comprehensive  
Background  
Checks



Program  
Administration  
and Lead Agency  
Responsibilities



Program  
Integrity



Family  
Outreach and  
Consumer  
Education



Quality  
Improvement  
and Workforce  
Support



## CCDF Funding Streams

### CCDF Funding Streams Overview

#### Description

#### Match or maintenance of effort (MOE) required?

### Mandatory

100% federal funds – permanent funding not subject to annual appropriations by Congress.

No

### Matching

State match and MOE required. States may use public funds, public pre-K funding, and donations. Limitations apply.

Yes

### Discretionary

100% federal funds subject to annual appropriation by Congress.

No





## Spending Timelines



## CCDF Spending Timelines

Obligation and Liquidation Requirements	Mandatory	Matching	Discretionary
When must funds be obligated (i.e., committed)?	If requesting matching funds, they must be obligated by the end of the first federal fiscal year; otherwise, the funds are available until expended.	Both the federal and non-federal shares of the matching funds must be obligated by the end of the fiscal year in which the matching funds are awarded.	Discretionary funds must be obligated in the fiscal year in which they are awarded, or in the following (second) fiscal year.
When must funds be liquidated (i.e., paid)?	There is no time limit. <sup>1</sup>	Funds must be liquidated by the end of the following (second) 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).

<sup>[1]</sup> While there is no liquidation requirement for mandatory funds, in accordance with federal law, grant funds must be drawn down from the Payment Management System (PMS) within five years from the year in which the funds were awarded. 31 USC 1551-1558







## Obligation

Committing funds for a particular purpose.

Issuing a family  
a voucher or  
certificate for  
child care  
services

Initiating a  
contract for  
CCR&R  
services

## Liquidation

The actual payment of funds.

Payments to  
child care  
providers

Payments for  
contracted  
work





## Redistribution and Reallotment of Funds

### Redistribution and Reallotment

According to the provisions of 45 CFR 98.64, state discretionary funds are subject to reallotment and state matching funds are subject to redistribution.

### Discretionary

According to the provisions of 45 CFR 98.64, state discretionary funds are subject to reallotment and state matching funds are subject to redistribution.

### 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.





# Other Federal Funding Streams

Child care funding can be combined with other federal funding streams to create strong systems of support for working families.

Leverage CCDF, TANF, Head Start, Early Head Start, and workforce-funded programs to support families seamlessly.

Blended, braided, or layered with other funds to provide wraparound care, quality supplemental curriculum, health services, etc.





## Discussion Questions

**Any questions on these different funding streams and timelines?**

**How does your Lead Agency define obligation and liquidation?**

**What sources does your state use for matching and MOE funds?**



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## CCDF Requirements, Allowable Uses, and Limitations





# Quality Activities

Of the **aggregate**  
mandatory, matching,  
and discretionary funds  
expended by a state:

**At least 9%** of funds shall be used for quality child care activities.

**An additional 3%** shall be used for quality activities for infants and toddlers.

**These are minimum levels.** Lead Agencies may reserve additional funds for quality activities.







## Spending Requirements

### Reserves

- Direct services = minimum of 70% after set-asides
- Quality + infant/toddlers = minimum of 12%
- Administrative costs = maximum of 5%
- \* The reserves can be spent out of either mandatory or discretionary allotments.
- \* The direct services reserve for discretionary funds is calculated **after** the quality, infant/toddler, and administrative reserves have been deducted from the total discretionary amount, whereas the direct services reserve for mandatory funds is calculated **before** the quality, infant/toddler, and administrative reserves have been deducted from the total mandatory/matching amount.





# Child Care Services

Of **all** remaining funds from both mandatory and discretionary, a substantial portion must be used to support direct child care services for low-income families who are working, training, or attending school.





# Limitations on Administration

**Lead Agencies may spend up to 5%** from each fiscal year's aggregate expenditures on administrative costs, including:

**Program administration**  
(e.g., salaries and benefits)

**Travel costs incurred  
for official business**

**Administrative services**  
(e.g., accounting services)

**Other costs**  
(e.g., rental equipment,  
utilities, and office supplies)

**Indirect costs**  
(e.g., rent and overhead)







# Activities Not Counted Toward 5% Limit on Administrative Costs

Establishing and  
maintaining  
computerized child  
care systems

Establishing and  
operating a  
certificate program

Determining or  
redetermining  
family eligibility

Preparing for and  
participating in  
judicial hearings

Placing children in  
child care

Training Lead Agency  
or subrecipient staff  
on billing and claims  
processes related to  
the subsidy program

Reviewing and  
supervising child care  
placements

Setting payment  
rates and supporting  
activities

Providing resource  
and referral services

Training child care  
staff

Recruiting, licensing,  
and inspecting child  
care providers

Investigating and  
recovering improper  
payments



# **Questions and Discussion**



## Coordination Between Fiscal and Program Partners





# Coordination Between Fiscal and Program Partners

Is key to driving forward the goals of your CCDF program.

Helps program managers understand how funds are being spent and what money is available to them to reach their goals.



Helps fiscal staff understand how funding decisions are impacting policies and programs.

Improves transparency and communication.





# Keeping the Programs Running



What method of communication is in place to make decisions **before** the obligation period expires?



How often do the program and fiscal staff meet to review the set-asides and revise the spending plan?



# Budgeting and Tracking Recommendations

Gather information on all available funding sources.

Set goals and objectives for CCDF and each funding stream.

Prioritize and rank the most critical needs and allocate funds accordingly.

Track **budgeted** funds compared to **actual** spending and address any variance in spending.

Maintain each funding stream in a separate account with appropriate accounting codes for specific uses.





# **Questions and Discussion**





## CCDF Budget Tools from NCSIA



## CCDF Budget Priorities







# CCDF Budget Constraints

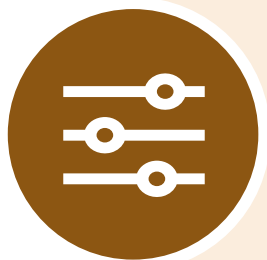




## Budget Calculator



NCSIA has created a customizable budget calculator for state and territory use.



The budget calculator looks at the impacts of eligibility levels, rates, payment practices, and co-pays on a Lead Agency's bottom line budget.



Interested states and territories can request individualized TA for the calculator.



# Budget Summary

Budget Summary Tables	
Current Available Funding	
Current Available Funding for CCDF Program for FY 2024 (State/Federal/Matching)	\$10,000,000
Current Spending on CCDF Program (State/Federal/Matching — including obligated funds) for FY 2024	\$3,000,000
<b>CCDF Program Surplus/Deficit</b>	<b>\$7,000,000</b>



Calculates total available CCDF funding when using this calculator.



Proposed Budgetary Changes	
Rate Change (Tab 3)	\$0
Eligibility Level Change (Tab 5)	\$0
Co-payment Rate Change (Tab 7)	\$0
Paying by Enrollment Change (Tab 9)	\$0
<b>Total Anticipated Budgetary Changes</b>	<b>\$0</b>

<b>Available Funding with Budgetary Changes</b>	<b>\$0</b>
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## SMI/FPG Calculation Tool

CCDF Lead Agencies use federal poverty guidelines (FPG) and state median income (SMI) estimates to establish income eligibility limits and sliding fee scales for subsidy programs.



CCDF requirements set the federal maximum family income eligibility for subsidy at a level equal to or less than 85% of SMI.

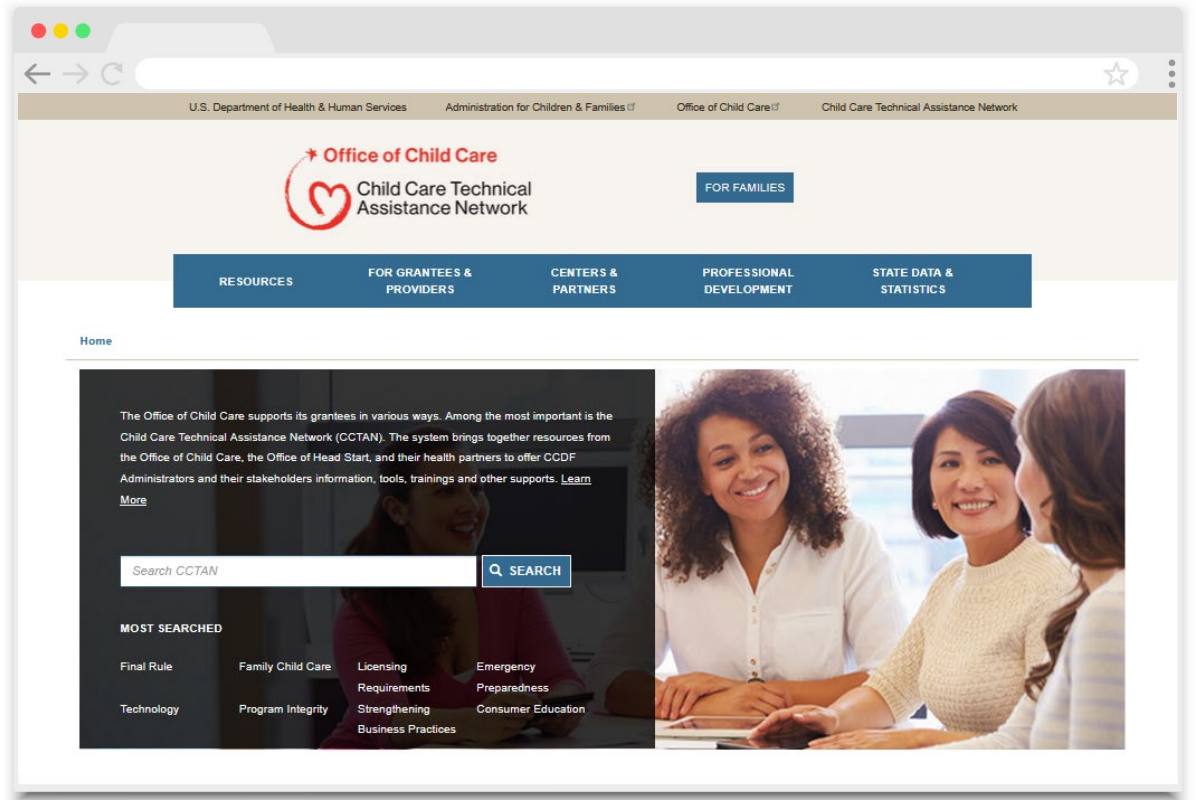


## Resources



CCTAN Website

<https://childcareta.acf.hhs.gov/>







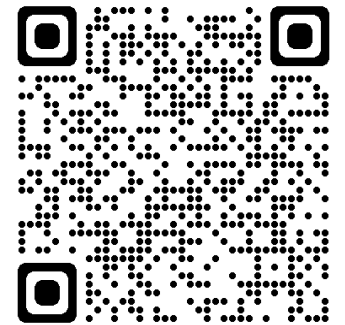
## Technical Assistance Is Available



**Help is available to CCDF Lead Agencies** and is individualized for your needs. To request technical assistance:

- Talk to your regional office, or
- Submit a request through the technical assistance request form:  
<https://bit.ly/3OHXOLP>

Ask for TA







# **Questions and Discussion**



# Thank you!

**Email:** [ncsia@wrma.com](mailto:ncsia@wrma.com)

**Phone:** 301-881-2590 x273



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