



WHAT'S IN THE FY 2009 BUDGET FOR CHILD CARE?

The Early Care and Education Administration funds and facilitates early child care and education services for children from birth through 12 years of age, and to age 19 for those with disabilities. These programs are supported with both local and federal funds and primarily support child care subsidies for low- and moderate-income families.

Until this year, this program was called the Early Childhood Development program and was housed in the Department of Human Services (DHS). In fiscal year 2009, administration for this program, as well as funding, was transferred to the Office of the State Superintendent (OSSE).

Summary of the Mayor's Budget Proposal:

The proposed FY 2009 general fund budget for the Early Care and Education Administration is \$41.1 million. This represents a decrease of \$1 million or 2.3 percent, from the FY 2008 approved budget when adjusted for inflation.

Local funding for child care is far lower than in FY 2006 or FY 2007, although this largely reflects a response to new federal TANF rules in 2007. The District shifted the sources of child care funding — by relying more on federal funds — which resulted in a reduction in local funding.

Gross Funding for Child Care: The proposed gross funding level, which includes both federal and local funds, is \$99.5 million. This is a decrease of \$4.2 million, or about 4 percent from FY 2008 after adjusting for inflation. Proposed gross funding for FY09 is about \$11 million, or 10 percent, below the FY 2007 levels, and \$7 million below FY 2006 levels when adjusted for inflation.

The decline in gross funding represents a decline in both federal and local funds. The Child Care and Development Fund Block Grant (CCDF) provide the largest federal funding for the Child Care Subsidy program; however, the funding has been decreasing over the years.¹

SUMMARY

MAYOR'S PROPOSED BUDGET

- The proposed FY 2009 general fund budget for the Early Care and Education Administration is \$41.1 million, which is a slight decline from FY 2008.
- The proposed gross funding for child care also has declined is lightly from FY 2008, partially due to a decline in federal funding.
- Despite the proposed reduction, the Mayor's proposed FY09 budget indicates that the District will provide child care services to 23,000 children in 2009, the same as in FY 2008.

COUNCIL MARK-UP, APRIL 29

- The Committee did not change the Mayor's proposed Early Care and Education funding level.

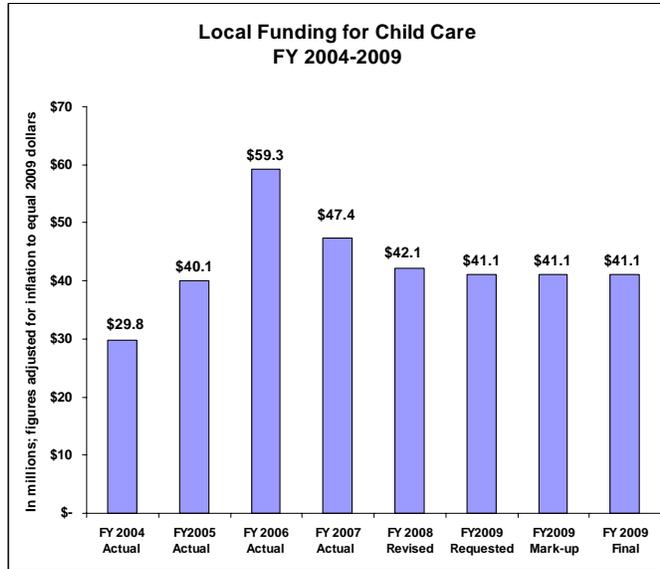
FINAL BUDGET SUBMISSION, MAY 13

- The Council did not change the funding level for Early Care and Education. Local funding for child care will remain at \$41.1 million, as proposed by the Mayor.

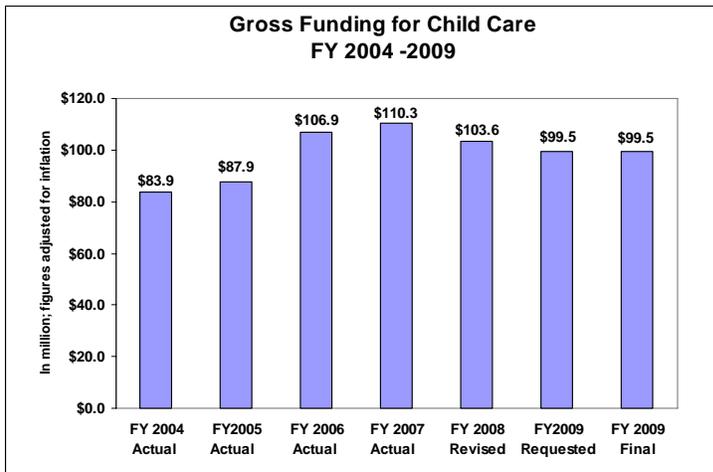
¹ The District of Columbia Child Care and Development Fund Block Grant FY 2007 Annual Report

Despite the proposed reduction, the Mayor's proposed FY09 budget indicates that the District will provide child care services to 23,000 children in 2009, the same as in 2007. It is not clear how the child care program will be able to maintain services in the face of this funding reduction.

Council Committee Mark-Up: The Committee of the Whole met on April 29 to mark-up the budgets for agencies under its purview, including the OSSE. The Committee did not change the funding level for Early Care and Education Administration from the Mayor's proposed funding level.



Final Submission: The DC Council Committee of the Whole considered the entire FY 2009 budget request on May 13, 2008. They did not make any changes to the committee mark-up of the budget for child care services. Local funding for child care remains far lower than it was in FY 2007. Despite the reduction, the District is expected to provide child care services to 23,000 children in 2009, the same as in 2007. It is not clear how the child care program will be able to maintain services in the face of this funding reduction.



Other Issues to Track: When child care programs were administered by the Department of Human Services, Early Childhood Development was listed in the budget as a program comprising six activities.² Under OSSE, child care is listed as an activity under a larger program — the Teaching and Learning program — and has only one line item. This means that detail on spending for each of the six child care activities is no longer available.

² These activities included Eligibility Re-determination services, Child Care Services, Child Development Provider Services, Early Intervention Services, Case Management Services, and Quality Assurance.