

**Question 20: Provide an explanatory document regarding federal funding match requirements for Bureau of Child Development and Head Start Collaboration.**

The CCDF program has a number of fiscal requirements associated with multiple funding streams that comprise the block grant.

- **Mandatory Funds** - Appropriated under section 418(a)(3) of the Social Security Act (SSA), 42 USC 618(a)(3). Mandatory funds are 100% Federal funds and are available until expended.
- **Matching Funds** - The Federal share of the Matching fund is the remaining amount appropriated under section 418(a)(3) of the SSA after Mandatory funds are allotted.
  - In order to receive the full allotment of Matching funds for a fiscal year, a State must:
    1. expend its Maintenance of Effort (MOE) requirement by the end of the award year fiscal year
    2. obligate all Mandatory funds in the first year of the grant period.
- **Maintenance-of-Effort (MOE)** - Section 418(a)(2)(C) of the Social Security Act, 42 USC 618(a)(2)(C) requires States to spend a specified amount of non-Federal funds on child care in order to claim Federal match from the Matching Fund.
- **Discretionary Funds** - Authorized by the CCDBG Act, 42 USC 9858 et seq. Discretionary funds are 100% Federal funds.

**NOTE - The same expenditure may not be counted as both State Match and State MOE.**

**70% Direct Services Requirement for Discretionary Funding:**

- First, the State must reserve:
  1. the minimum amount of funding required for quality activities (for GY 2020 and onward, it is 9%)
  2. the minimum amount of funding required for infant/toddler quality activities (3% of expenditures starting in GY 2017)
  3. the actual amount of Discretionary funding (including Discretionary Disaster Relief funds) expended for administrative costs (up to 5%).
  4. After reserving the amounts above, the State must expend not less than 70% of the remainder of Discretionary expenditures on providing direct services.